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GERMAN DEMOCRATIC REPUBLIC

Protestant Delegate on Church-State Relations

36140007 Utrecht OOST EUROPA VERKENNINGEN in Dutch Oct 88 pp 24-30

[Article by Goetz Planer-Friedrich, translated from German into Dutch by Lisette Dekker: "Points of Friction and Common Ground. Church and State in the GDR"; first two paragraphs are OOST EUROPA VERKENNINGEN introduction; footnotes 3, 4, 8, and 9 not designated in text as published]

[Text] On 23 September 1988 two peace movements (IKV [Interchurch Peace Deliberation] and Pax Christi) and two political parties (CDA [Christian Democratic Appeal] and PvdA [Labor Party]) organized a joint study conference on Eastern Europe. This "Eastern Europe Deliberation" was held in the Church and World Center in Driebergen. Each of the four initiators, Mient-Jan Faber (IKV), Jan ter Laak (Pax Christi), Arie Oostlander (CDA), and Jan-Marinus Wiersma (PvdA) had invited a speaker from Eastern Europe. Pax Christi selected a prominent member of the Protestant Churches in the GDR. In the accompanying documentation package Ter Laak emphasized that the churches in Eastern Europe occupy a strategic position in the "societal center field" between state and citizen. Certainly that is true of the Federation of Protestant Churches in the GDR, which has long spoken out on the peace issue and on social questions such as environmental pollution and the position of homosexuals. Goetz Planer-Friedrich talked in Driebergen about the complicated relationship between church and state in the GDR. Planer-Friedrich has been seconded by the Protestant Churches in the GDR to the Studies Section of the Lutheran World Federation in Geneva. He stressed that he has lived outside the GDR for 2 ½ years now and thus cannot speak *in the name of* his coreligionists in the GDR.

A survey by a "committed sympathizer."

In the early 1980's when the relationship between the two superpowers, the United States and the Soviet Union, cooled rapidly, the Protestant Churches in the GDR took up the idea of a new kind of security thinking, as called for by the Independent Commission for Disarmament and Security in the so-called Palme Report.[1] "In the nuclear age security means common security. Even ideological and political opponents have a common interest in survival. In efforts to achieve arms control and disarmament, it is necessary to strive for the common interest rather than for advantage for one's own side. The idea of common security must replace that of deterrence through armaments, which has been normal in the past."

In 1983 a report by the Studies Section of the Federation of Protestant Churches appeared with the title "Shared Security and Peace in Europe. Task of the German States, Responsibility of the German Churches."[2] That called not only for changes in thinking on military security, it also presented various proposals for detente in German-German relations, including the question of recognition of GDR citizenship by the Government of the FRG. The report did not meet with a warm reception in the political climate of the time. On the one hand, the GDR Government still adhered to the principle of military deterrent, while on the other hand it was seeking ways to keep the gains from German-German detente in the 1970's alive through the new political ice age. With the NATO two-track decision and the deployment of the intermediate range missiles in Western Europe, the arms race escalated. Although the peace movement grew rapidly as a result, not only in the GDR, it seemed unable to exert any influence on policy. The independent peace groups in the GDR too experienced a certain resignation after 1984.

Skepticism

At the same time peace discussions in the church grew clearer and less abstract. The Synod of the Federation of Protestant Churches took up the idea of shared security and coupled it with its theologically argued "renunciation of the spirit, logic, and practice of deterrence." These two elements formed the thread, as it were, that ran through synod decisions on peace ethics from 1982 through 1986. I will not discuss that in detail here. However, it does seem important to point out that this position of the GDR churches' was met with skepticism by their sister church in the FRG, although the West Germans diplomatically forebore to criticize it publicly. The GDR Government also still adhered to the formula of the "peaceful coexistence" of the two social systems; thus any sort of thought about common interests was considered tarred with the brush of the unacceptable theory of convergence. As late as 1986—when Gorbachev was already talking about a "common European house"—the SED preferred the concept of "international security."

Since then a great deal has changed, not only in language. The GDR has unreservedly welcomed and given its support to the initiatives and successes of Gorbachev's foreign and detente policy. Erich Honecker has emphasized several times that his party has an interest in disarmament successes and in a process of detente, precisely because of the GDR's special position in the heart of the potential theater of war. He now views this fact also as the basis of the two German states' common interests. For that reason, the GDR is attempting to underline this interest by taking initiatives itself in foreign policy. One example of this is the international conference on nuclear-weapons-free zones held in June 1988 in Berlin, which was also attended by church representatives.

Marginal Role

It would be going too far to say that the churches in the GDR were somehow responsible for this new security thinking in their country. The political reorientation

could take place only because those in power wanted it and worked for it. Nonetheless, the Protestant Churches in the GDR can take credit for the fact that on this point they opposed the political Zeitgeist and actually moved beyond it. The church's marginal role in a Socialist society like the GDR relieves it of the need to answer for the political feasibility of its views. That is the advantage of their independence, but at the same time it is a disadvantage when it comes to political effectiveness. This is the most important difference from many Western churches, which through societal interconnections and simply through the political ties of their members reflect the interests of society. In the GDR this is very different: because high military officers and government officials generally belong to the SED and the party forbids its members from having any religious ties, you will find no representatives of the Government in the churches themselves. If the churches speak out on political issues, they do so on their own responsibility from their faith and without any claim to a political mandate. That is also the weakness of such declarations: they can be dismissed as idealistic speculation having nothing to do with political reality.

The church is aware of this. A 1981 report on the political effectiveness of Christian peace work stated: "What is intended to be politically effective must be politically relevant." Whether or not something is politically relevant does not depend simply on the political status quo. A much more important question is whether it is politically wise. The same report notes that: "A thing is politically wise if it enjoys general agreement. The survival of all in a future just and peaceful society is politically wise because all support it."

New Tension

Thus something can very well be politically wise, although from a political standpoint it still may not be feasible. Without claiming to know better but with firmness and a readiness for dialogue, the churches can support long-term interests of humanity which it is still not possible to realize politically. Because, to cite the aforementioned report once again: "Something for which the time has not (yet) come politically need not be politically unwise." The improvement in the foreign policy climate in the past 2 years is confirmation of this statement. Referring to the March 1988 conversation between Erich Honecker and Bishop Leich (chairman of the Protestant Church leadership), Kurt Hager said in his June 1988 report to the SED Politburo: "It was noted there with satisfaction that the number of views shared by the Socialist state and the church on today's all-important issue, securing the peace, has increased." He was right! However, what he did not say is that in the past half year a new tension has arisen in the relationship between church and state, which has grown worse rather than improved. In my opinion this has a great deal to do with the international successes of, and the new thinking in, the Soviet Union.

Groups

However, the tension had arisen long before. It was due to the increasing growth of groups in and on the margins of the church. In a social system that does not permit any form of political organization outside the control of the state and state ideology, the church faces an influx of certain interest groups which is not due to its own preaching. This is all the truer because the state not only permits the church as an independent organization but also respects it as an independent force in society. To put it in other words: the church groups (for peace, justice, and environment) represent a rallying point for a stock of social criticism and alternative ideas not permitted in official society. This does not include just Christians. And the problems discussed there are neither religious problems nor problems the church has raised. Separating institutions like church and state is easier than separating faith and politics. The state has more than once pressed the church to make a clearer distinction between church members and non-Christians and to prevent its being made to serve the interests of a political opposition. In November 1987 the security service attempted to accomplish this by its own means when it accused members of such groups of producing illegal publications with the aid of church printers. This happened a second time when members of another group participated with their own banners in a state-organized demonstration in commemoration of murdered Communists Rosa Luxemburg and Karl Liebknecht. In both cases the church acted as crisis manager, without identifying itself with the goals of the members of the groups involved. But the church also refused to agree to the state's demand to distance itself from those persons. It refused to do the one because of its identify as the church of Jesus Christ, the other because of Jesus' identification with the weak and threatened. This provoked incomprehension and sharp criticism from both sides.

Two years ago in a study on the church and its groups, E. Neubert pointed out that it is inadequate socialization that sends young people in particular to the church groups. Because they suffer from the officially denied and suppressed weaknesses and shortcomings of society, they seek council, aid, and refuge in the church. In his March 1988 meeting with E. Honecker, Bishop Leich correctly pointed out that the church itself is not responsible for the problems the state blames it for: "The issues that have occupied our Protestant Churches, and that of Berlin-Brandenburg in particular, in recent months are of a sociopolitical nature and arise in society. Their origin is not in the service of our churches. We have had to carry on the discussion of these issues as a substitute for state and society. We did not seek out this role ourselves. Those to whom the questions are actually addressed have not shown any readiness for dialogue."

Homogeneity

In August 1987 representatives of the Commission on Principles, which consisted of members of the SPD (from the FRG) and the SED (GDR) presented a joint

document entitled "The Struggle of Ideologies and Shared Security." "On this occasion Otto Reinhold (GDR delegation leader) mentioned the churches' initiatives for peace and dialogue, with the goals of which the joint document agrees on many points." This sentence appeared in NEUES DEUTSCHLAND.[5] For the informed reader from church peace circles, a first reading of the text in NEUES DEUTSCHLAND was like a stroll through a familiar landscape.[6] The federation synod responded at its 1987 annual session in Goerlitz with the following sentence: "Dialogue and openness toward those with different views are called for within society too... They are considered a form of new thinking."

However, this did not appear to be what the SED Central Committee had in mind. That body implicitly makes a strict distinction between its readiness for detente in foreign policy and its striving for homogeneity domestically. What can be considered a deideologization of systemic conflict in foreign policy must based precisely on unity in thought and deed domestically. This is looking less and less like a successful strategy, however. There is a constantly growing number of people in the GDR who no longer understand why there should be a new "culture of political struggle" between the SPD and the SED, while within the GDR there is only a power struggle fought from the top down. The concept of shared security exercises a "certain attraction on those who want to begin a dialogue within the GDR itself."[7]

'Modern Sin'

At one of the four church conferences (annual regional meetings of the Protestant Churches—translator) held this year in the GDR, a group from Wittenberg presented a number of theses that were introduced by a significant quotation from Luther: "The time to be silent is past, the time to speak has come." The authors were discussing a "societal apathy" that they described as "a contemporary form of sin." "Societal participation"[10] is underdeveloped as a result of "a mixture of apathy, organized irresponsibility, taboos, and denial of problems."[11] Not only does that rob an outwardly directed peace policy of all credibility but it also hinders a broad consciousness of the problems of survival of humanity as a whole.

It is certainly true that the long isolation of the GDR population since the construction of the Wall in 1961 has led to increasingly provincial thinking, to a fixation on the sometimes truly banal problems of daily life under Socialism. The West German media offer their consumption-oriented capitalistic world for daily comparison; in the minds of television viewers, this becomes a gilded alternative to their limited daily reality. The church itself lives to a large extent off ecumenical gifts in hard currency, which is cause for envy in non-Christians. In this sense the church has become trapped in the tensions of the society and it has every reason to critically study the picture it has of itself and the impression it makes on others. In addition, there is a great need to improve and broaden ecumenical contacts within its own country.

Ecumenical Spirit

It was against this background (the state taking the offensive with a foreign policy directed at detente and disarmament, domestic stagnation, increasing pressure from below for change, and an underdeveloped ecumenical spirit between Protestants and Catholics) that the first Ecumenical Conference for Justice, Peace, and the Preservation of the Creation took place in Dresden in February 1988. This was a first in two respects: for the first time such a meeting was attended not only by the churches of the Working Community of Christian Churches (comparable to the Council of Churches in the Netherlands—translator); the Catholic Church, which has only observer status in the Working Community, also participated without reservation. It was also the first ecumenical conference in the sense that two more are to follow: one in Magdeburg in October and one more in spring 1989.

The opening of the Ecumenical Conference coincided with the annual assembly to commemorate the bombing of Dresden on 13 February 1945. In the Protestant Cross Church, which still shows signs of war damage, about 6,000 people assembled. There, a young Catholic girl quoted the Catholic bishop of Erfurt, who had said: "A Christianity that has forgotten God cannot say anything about the great issues and problems that concern the people of today." And the girl continued: "We believe that the reverse is true as well: a Christianity that does not say anything about the great issues of humanity today has forgotten God. We thank the Protestant Churches for helping us become bolder. We are happy that we no longer have to be just an observer. We want to share responsibility for this world in every respect." Of course the girl was not speaking in the name of the Conference of Bishops but these sentences had a liberating effect and were viewed by many as an opening to a new period of ecumenical cooperation in the GDR.

10,000 Responses

Prior to the meeting the preparatory committee had summoned all Christians and parishes to submit special demands and proposals on peace, justice, and the environment. Nobody had expected that a final total of 10,000 responses would flood Dresden. That was far more than the 150 delegates from the 19 churches could deal with. Their primary task was to distill concrete projects out of this overwhelming mass of issues and problems. They formed 13 working groups (4 for each of the 3 world problems and 1 separate group for the theological statement of principles), which have now produced theses for the second meeting in Magdeburg.

There, these texts will be discussed together and harmonized before they are sent to the parishes for reactions and discussion. At the third meeting early in 1989 the texts will then be put into definitive form and sent with a recommendation to the European meeting in Basel and the world meeting in Seoul.

This whole program bears witness to the German sense of order and to Prussian thoroughness. I would like to make three comments in this connection:

1. This was the first joint activity between Catholics and Protestants in the GDR. Only through careful and coordinated action is it possible to prevent negative experiences that would lead to a renewed shyness about contacts. The unexpressed fear of the Catholic hierarchy that the barely controlled group *scene* in the Protestant Churches could spread to Catholic Christians is important in this connection. Furthermore, the suspicion on the Catholic side that the Protestant Churches have been too accommodating and complaisant toward the Socialist state has not entirely disappeared. In such a situation where mistrust still has not been entirely overcome, clear agreements are the best protection against disappointments.

Safety Valve

2. Discussion of the issues of peace, justice, and preservation of the creation reveals a dissatisfaction that has long been bottled up in the GDR. Many (including non-Christians) see in the conciliar process an opportunity to express their anger. This could bring the council into conflict not only with society, where there is a taboo on sensitive issues. As a platform for articulating internal societal conflicts the ecumenical meeting could also get bogged down in provincialism. For that reason the first meeting served as a safety valve for the expression of domestic concerns so as to enable the two following meetings to link up with the world issues of the survival of humanity.

3. In a society where all facets of life are so strictly regulated, the church must act carefully and responsibly in the maneuvering room allowed it. Although the number of church members has continually shrunk in recent decades (in Berlin the number is estimated at 10 percent of the population) interest in the church is growing in society. However, it is asking too much of the church to expect it to be a sign of hope in society. It neither can nor wishes to pursue purely political goals. But it considers itself responsible for those whose expectations have been disappointed and whose needs are not being met. Years ago Bishop Leich used the following formula for this: The church is there for everybody (i.e. for all people) but not for everything (i.e. not for all wishes and ideas, political and not). The clearer that is made in the rules for the conciliar process, the greater the chance that misunderstandings and undesired conflicts with the state can be avoided.

Common Challenge

So far the state has not accepted that. The free expression of opinion during the ecumenical conference and the subsequent church conferences was met with an information blackout. Even synod decisions having nothing to do with such questions could not be published. Nonetheless, one cannot say that this represents the start of a new ice age between church and state. Both sides agree that there is a series of regional and world problems that require a frank exchange of opinions. But for the present no agreement has been reached as to how that discussion is to be conducted.

To summarize:

1. With respect to peace and disarmament policy, there is considerable agreement between the churches and the Government of the GDR. That is also true of the further political steps proposed by the GDR, such as:

- a ban on all chemical weapons;
- the creation of nuclear-weapons-free zones;
- switching military forces over to a so-called structural inability to attack;
- an end to the secrecy surrounding, and a joint discussion of, NATO and Warsaw Pact military doctrines.

2. On the other hand there is at this moment a difference of opinion between church and state as to the extent to which such initiatives should be linked with a restructuring of society in the GDR ("perestroyka") and with a free exchange of information and discussion ("glasnost"). That may be connected with the fact that so far the churches still have said little that is constructive and future-oriented with regard to "justice" and "preservation of the creation."

3. The ecumenical forum offers the churches the opportunity to study the question of the survival of humanity as a common challenge on the basis of the Gospel.

With respect to peace work, the years of experience of the Federation of Protestant Churches can be used. In their response to economic and political injustice in the world and to the threat to the creation, the churches of the GDR must still learn to overcome their provincialism, which is not their fault by the way. That would also be in the interests of the state, which can certainly use some innovations in the area of developmental and environmental policy.

Driebergen, 23 September 1988

Footnotes

1. Palme Report, West Berlin, 1982, p 155. See also "Gedeelde veiligheid—een samenbindend principe voor Europa" [Shared Security—a Uniting Principle for Europe], interview with Joachim Garstecki, Theological

Studies Section of the Federation of Protestant Churches in the GDR. In: OOST EUROPA VERKENNINGEN no 79 (June 1985), pp 3-12.

2. West Berlin, 1983.

3. NEUES DEUTSCHLAND, 10 June 1988.

4. "Reproduktion von Religion in der DDR-Gesellschaft" [Reproduction of Religion in GDR Society], a publication of the Theological Studies Section of the Protestant Churches in the GDR, Berlin, 6 March 1986.

5. NEUES DEUTSCHLAND, 28 August 1987.

6. J. Garstecki in: "SPD-SED-Papier" [SPD-SED Paper], Freiburg, 1988, p 99.

7. Garstecki, op. cit., p 100.

8. Martin Luther: "An den deutschen Adel" [To the German Nobility], 1520.

9. KIRCHE IM SOZIALISMUS 4/1988, pp 122/123.

10. Ibid.

11. Ibid.

HUNGARY

Supreme State Public Prosecutor Calls for Separation From Executive Power

25000047a Budapest NEPSZABADSAG in Hungarian 17 Nov 88 p 9

[MTI report: "Full Independence From Executive Power—Scientific Conference on the 35th Anniversary of Establishing the Prosecutor's Office"]

[Text] The Office of the Supreme State Prosecutor convened a scientific conference entitled "The functional development and present role of independent prosecutors in socioeconomic evolution." Thirty-five years had passed since the office of independent prosecutors became an entity separate from the judiciary.

In his opening remarks Supreme State Prosecutor and conference chairman Dr Karoly Szijarto made reference to the fact that during the past decades the prosecutor's office fulfilled its mission in the interest of preserving the legal order of society by consistently persecuting crimes which violated or endangered state security and independence, as well as in the interest of protecting citizen rights. The office was effectively involved in enforcing policies mandated by law, and through its activities contributed to the strengthening of socialist legality.

Four major presentations were made at the scientific session. Deputy Supreme State Prosecutor Dr Sandor Nyiri called attention to the fact that the economy may also become unstable in response to the effects of factors which have no direct relationship to the economy. Such factors include problems related to the stability of state order, to the condition of public order, public safety and legality, to the stability of economic regulations, and to the reliability of the conduct of business organizations.

In discussing the present role of the prosecutor's office Nyiri emphasized that a need for a separate, independent state organ whose function it is to enhance and control the enforcement of socialist legality continues to exist. Relative to issues pertaining to the protection of businesses against criminal liability he stated that since 1 January neglect of duties in the course of doing business is no longer a crime enumerated in the Criminal Code of Laws. Since then only those business activities which are declared by the government as crimes are deemed to be crimes. Related legal provisions, however, do not provide any practical assurance for the orderly conduct of business.

In regards to foreign exchange regulations—modified several times a year—Nyiri disagreed with the idea that the amount of foreign currency that may be held by individuals is defined in forints. Expressing foreign currency values in forints does not make sense because of frequent changes in exchange rates.

Finally, Nyiri discussed the fact that the prosecutor's office is not a peer organization of other state organs. Instead, the prosecutor's office exercises supervision over other organizations. The only possible criterion by which for the relationship between state organs can be measured is the constitutional duty each organ performs, and the manner in which given organs discharge those duties. Formal criteria, such as the size of the organ or the political standing of its leader must not serve as criteria to discern the relationship between state organs.

Deputy Supreme State Prosecutor Dr Istvan Szabo stated that if a constitutional court is established, granting authority to the supreme state prosecutor to turn to that court for judicial review as to the constitutionality of any legal provision will be necessary, even if the creator of the given legal provision disagrees with the idea of judicial review. In his presentation, Szabolcs-Szatmar County Chief Prosecutor Dr Miklos Alexa justified the need for prosecutors to participate at meetings of council executive committees and of people's control committees. Dr Jozsef Godony, director of the National Institute of Criminology discussed the expected requirements of the institution of prosecution.

In conclusion Dr Szijarto summarized the statements. He established the fact that in the future an even stronger linkage must be established between prosecutors and the National Assembly as a whole as well as its special organs, and that prosecutors must enjoy full independence from the executive power, including the Council of Ministers. Relative to the [ongoing] constitutional review Szijarto emphasized that as a result of changed

social circumstances it will be necessary in the future to define certain important provisions presently contained in the law governing prosecutors in terms of constitutional provisions. Any other high level regulation—such as the drafting of the new law governing prosecutors or the possible reorganization of the administration of justice—must take place only after making such constitutional pronouncements. Szijarto stressed that the modernization of the political institutional system must include the organization and the function of the prosecutor's office. The need for the prosecutor's office remains unchanged, and the prosecutor's functions must not be limited to persecuting crimes and representing the prosecution. At present when the distribution of the exercise of state power is at issue, an increase in parliamentary authority is inconceivable in the absence of organizational guarantees. It is the duty of the prosecutor's office to control the legality of the functioning of the executive organs of the state, and to confront actions by the authorities which illegally restrain the enforcement of citizen rights. In Szijarto's view, prosecutors should ponder the role they play in the persecution of crime and in the serving of punishment; the primary emphasis should be on the prosecutor's function of protecting rights.

1956 Hungarian Uprising Explained

18070063z Moscow ARGUMENTY I FAKTY in Russian No 46, 12-18 Nov 88 pp 2-3

[ARGUMENTY I FAKTY correspondent K. Novikov interviews L. Yagodovskiy, doctor of history and deputy director of the Institute of Economics in the World Socialist System: "The Budapest Autumn of 1956"; first paragraph is introduction]

[Text] **More than three decades have passed since the Hungarian events of 1956. Yet to this day, the press of the Western countries continues to debate what occurred (as they do other difficult times in the history of the socialist countries, we should note.) Our correspondent K. Novikov has asked L. Yagodovskiy to give us his perspective of the Hungarian crisis of 1956. A specialist in the field and witness to the events, Yagodovskiy is a doctor of history and deputy director of the Institute of Economics in the World Socialist System.**

[Novikov] We would almost certainly be right in saying that young people, and perhaps those a little older as well, know very little about what happened in Hungary in 1956. Yet Hungary and 1956 are much more than a subject of idle curiosity. As I see it, the events there represent one of the most important periods ever in the development of world socialism.

[Yagodovskiy] Definitely. Those events, now 32 years in the past, are of vastly more than mere historical interest. They represent the first major crisis of Stalinism—a crisis that began, I might add, in 1953, and not in 1956.

[Novikov] How exactly did Stalinism manifest itself in Hungary? And what caused the explosion?

[Yagodovskiy] Stalinism in Hungary meant accelerated industrialization with no regard for actual conditions. Everyone focussed on heavy industry, mining, and power production. But the resource base was inadequate for supporting an effort of this kind. For example, the 1950-54 Five-Year Plan initially called for 86 percent industrial growth. Later this became 210 percent; and machine building was to go up by a factor of three. They were imitating our plan, but the time and place were completely different.

Stalinism meant collectivization, with all the excesses of the collectivization of the 30s. The kulaks were destroyed, and along with them the stratum of farmers immediately below the kulaks.

Stalinism meant the creation of a rigidly centralized management and planning apparatus.

And, finally, Stalinism meant political trials, which began with the Laszlo Rajk "case." Rajk, the minister of foreign affairs, was convicted of being a Yugoslav spy and shot along with 19 coconspirators. This was how the anti-Tito campaign was started. Numerous other leaders of the communist party were tried as well. In fact, Janos Kadar was in prison at this time being tortured. In other words, everything happened pretty much in accordance with the scenarios worked out much earlier by Stalin and Beria. In much the same way as here, participants in the war in Spain were persecuted.

And General Secretary Rakosi was nothing more than a mini-Stalin, with the same imperial entourage, portraits, and undisputed authority.

[Novikov] What were living conditions like? According to the Great Soviet Encyclopedia article on Hungary (published in 1951), Hungary's standard of living grew at an unprecedented rate during those years.

[Yagodovskiy] The accelerated development of heavy industry left no resources for light industry, food production, or agriculture. In fact, in 1952, the standard of living dropped precipitously, and workers' real income fell.

To summarize, I would say the Stalinist model left its mark on essentially all the socialist countries, but that Hungary suffered the most from its extremes. This was the primary reason tensions grew there.

[Novikov] What happened in the 1953-56 period?

[Yagodovskiy] At the party central committee plenum in 1953, right after the Rakosi policy was criticized, attempts were made to eliminate the most egregious

elements of the Stalinist model. Imre Nagy became the prime minister, although he held the job only a short time before he was expelled from the party—once Rakosi became party leader.

This state of affairs continued until our 20th Congress. In March of 1956, a plenum of the Hungarian Workers Party Central Committee endorsed the decisions of the 20th CPSU Congress, while in July, at another plenum, Rakosi was stripped of all authority. He was replaced by Gyori, a member of the same "team." But at the same time the central committee installed some true opponents of Stalinism, including Janos Kadar.

[Novikov] Obviously, the power structure was pretty complex.

[Yagodovskiy] The key offices were held by hard-liners, followers of Rakosi. But there were also people who supported change. Their leader was Kadar. And finally there was a right wing, led by Imre Nagy, and an antisocialist wing, consisting of former landowners and members of the bourgeoisie. They all opposed Stalin and the mistakes of the past, but were pursuing different goals.

[Novikov] What was the USSR's stance up until the October 1956 events?

[Yagodovskiy] For the most part, we were concerned with our own domestic matters; that is cleaning up after the cult of personality, rehabilitating individuals, etc. Naturally the last thing the Soviet Union wanted was a major crisis in Hungary, so we attempted to avert the explosion.

[Novikov] But it happened all the same.

[Yagodovskiy] It began with a demonstration on October 23. The political leadership felt like its power was slipping away, and wavered between permitting the demonstration and prohibiting it. The government was unable to support the demonstrators, nor could it oppose them. The day after the demonstration, Imre Nagy was once again named prime minister. A popular man, he wore the halo of the anti-Stalinists who had suffered under Rakosi.

[Novikov] What events immediately preceded the commitment of Soviet troops to Budapest. Didn't they enter the city twice: after October 23 and on November 4?

[Yagodovskiy] Yes. After the first entry of troops into Budapest, Imre Nagy request[illegible] wit[illegible]
and we did. Later, howev[illegible]
abruptly, antisocialist bo[illegible]
Imre Nagy moved towar[illegible]
tionary elements. I repeat[illegible]
begun. Communists wer[illegible]
being carved into their f[illegible]
of the opposition stormed [illegible]

threw its defenders from the top floor. Imre Nagy announced that Hungary was withdrawing from the Warsaw Pact and appealed for the support of UN troops.

Civil war was imminent. In response to the situation, Janos Kadar, heading a revolutionary workers and peasants government he had created, asked the USSR to send its troops into Budapest a second time.

[Novikov] We have been talking about the capital. But we already had troops in Hungary, as we did before 1956.

[Yagodovskiy] That's true. But the main events took place in Budapest. There were only minor disturbances in other cities. And I might add that the peasants stayed completely out of the action. Efforts to "rouse" them were unsuccessful, largely because they had received their land from the people's democracy, but also because the counterrevolutionaries made careless statements about returning lands to their former owners.

[Novikov] How well organized were the antisocialist elements?

[Yagodovskiy] I feel there was never really any unified center that orchestrated the uprising. There were detachments scattered about the city, and occasional outbreaks of fighting or shooting would take place. But the idea that there was a carefully planned and prepared counterrevolution is just wrong. Events picked up momentum as the overall crisis worsened.

The rebels had no tanks or aircraft, but they had modern firearms that they had obviously captured from armories or secured from the West.

[Novikov] To what extent was the West involved in the uprising?

[Yagodovskiy] First, they waged a propaganda campaign, including radio broadcasts telling people what to do. Second, people from the West poured into Hungary. Some wanted to settle old scores, others were thrill seekers, and still others pursued profit of some kind. There was no organized intervention from the West, but armed "volunteers" from Western Europe fought alongside the counterrevolutionaries.

[Novikov] You were working at the USSR Embassy in Budapest at that time, weren't you? Were there any casualties among Soviet personnel?

[illegible]vskiy] Families were evacuated. A few diplo-
[illegible]bassy personnel remained behind on the
[illegible]nds. The embassy was not attacked. It may
[illegible] Nagy felt the embassy personnel were his
[illegible] building was blocked off, and while we
were not attacked, we could not leave either.

There were casualties among members of the families of military personnel who were unable to be evacuated, and of course among our soldiers. Unfortunately, the casualty list was not a short one. Thousands died, both on our side and the opposition's.

[Novikov] Mr. Yagodovskiy, what do you think might have happened if our troops had not been in Budapest?

[Yagodovskiy] There is no question about it. A civil war would have erupted. Most of the people were either backers of or sympathizers with the socialists, but the party was not active in organizing them at that time. I think spontaneous demonstrations in support of socialism would have started, and that eventually the socialists would have gotten the upper hand. But the cost in human lives would have been terrible. Of course, there was always the possibility that another country would send troops into Hungary. Those were difficult times, what with the war in Egypt and the tense international situation. So the threat of a major confrontation in Europe was very real.

[Novikov] How would you assess our sending troops into Budapest?

[Yagodovskiy] Officially, it was legal, completely justified given the situation within the country and the possible international ramifications. Another argument in support our decision is the subsequent course of events: healthy elements were quickly consolidated, mistakes were rectified, and democratization and glasnost followed. Under Kadar, the country's leaders acted decisively but flexibly, keeping retribution against the opposition to a minimum.

[Novikov] But Imre Nagy was shot. How do you feel about the clamor of appeals to rehabilitate him?

[Yagodovskiy] Well, I have heard about such appeals. I personally would limit my comments about Nagy to this: what happened was his personal tragedy. To the very end he never understood the nature of the events he was involved in. He started out opposing Rakosi, and ended up in bed with antisocialist elements.

We can look at rehabilitating him in light of a recent event that has ended an episode in this story: Hungary has decided to offer amnesty to everyone who took part in the uprising. All convictions for uprising-related crimes have been reversed and no longer need to be indicated in applications for jobs or permission to travel abroad.

[Novikov] Have Hungary's leaders changed their political assessment of the 1956 events?

[Yagodovskiy] No, except for one minor detail. More than before, they are inclined to see Rakosi and his followers as the immediate cause of the tragedy.

[Novikov] What are the lessons these events hold for us?

[Yagodovskiy] One of the main ones is that the Stalinist model is barren; it is a dead-end street. But it has to be resolutely and irrevocably dismantled. Hungary, whose crisis started in 1953 and ended in 1956, shows us that inconsistent, halfhearted efforts at modernization are fraught with serious consequences.

Second, we need the same degree of resolution when and if a crisis does occur, but with the emphasis on constructive actions, not repression. The key task is to find a political solution to the problem. The situation in Hungary normalized so quickly because authorities undertook a realistic, comprehensive program that covered all areas of society. They reviewed their economic policy, the party's activity, the attitude toward the church, the intelligentsia, and culture, etc.

In addition, the personalities of the country's leaders contrasted sharply. In the wake of previous leaders' pomp and luxury, Kadar was well served by his modesty and candor. All the privileges of the former leadership were completely obliterated.

[Novikov] Mostly Western correspondents have persistently maintained that the events of 1956 were not the result of individual mistakes, but a manifestation of a systemic crisis.

[Yagodovskiy] I would say that it was systemic, and very grave at that. The problem was not socialism as such, but way it was decided to implement it in Hungary.

POLAND

POLITYKA Weekly News Roundup

26000156 Warsaw POLITYKA in Polish No 45, 5 Nov 88 p 2

[Excerpts]

National News

Wojciech Jaruzelski paid a visit to Gniezno. Among other places, he toured the Cathedral and its treasure in the company of the Primate of Poland Jozef Cardinal Glemp. At the Primate's Palace Wojciech Jaruzelski and Jozef Glemp held a private conversation.

The Government has withdrawn its plea to the Constitutional Tribunal and announced the abolition of coal rationing for farmers and consumers, no later than by the beginning of April next year.

Deputy Chairman of the OPZZ [National Trade Union Alliance] Romuald Sosnowski issued a press release protesting against "ignoring us in the preliminary talks and in the adoption of starting premises without our participation.... The OPZZ has repeatedly declared its willingness to participate in the Roundtable [talks

between the opposition and the regime]. We cannot be surprised by decisions made overnight and creating new conditions and ones unknown to us."

The National Union of Farmers and Agricultural Circles and Organizations demanded a place at the Roundtable, as it has not so far been invited to participate in it.

The Sociopolitical Committee under the Council of Ministers considered at its inaugural session the draft decree on associations. The draft was transmitted for public consultation. It is to be transmitted to the Sejm even before this year is over.

The Ministry of Agriculture has waived 300 legislative acts. A total of 137 of such acts still remain binding in agriculture, food industry, and forestry. A similar "purge" is predicted by other ministers as well.

The boycott of military courses has spread to certain institutions of higher education in Krakow, Wroclaw, and Gdansk. A representative of the Ministry of National Defense has announced on television that the conduct of the students will be properly evaluated and responded to.

As of next year, it will suffice for passport applicants to provide information on the status of their foreign-exchange bank accounts. Residents of Warsaw, where the computerization of the passport system will first be completed, will be able to keep their passports at home.

The round table [for the roundtable discussions] was built at a Henrykow Factory and assembled in the Ballroom of the Jablonna Palace of the Polish Academy of Sciences. It has a diameter of 8.8 meters and can seat about 55 persons. Preliminary talks for arranging the Roundtable continue, and the armchairs in the Ballroom still are vacant.

The Polish Club for International Relations was formed in Warsaw. Its purpose is to promote the development of Polish thought in the domain of foreign policy. Jozef Czyrek was elected the Club's chairman, and Professors Aleksander Gieysztor and Manfred Lachs were elected its vice chairmen.

Minister of Finance Andrzej Wroblewski admitted that the overall money-and-incomes policy is worse than had been envisaged in the plan. The gap between demand and supply of goods and services, as resulting in wage hikes, had been estimated at 500-600 billion zlotys, whereas current calculations, which allow for wage hikes till year end, estimate this gap at 1.5 billion zlotys.

The 1988 Statistical Yearbook has been published. For the first time in postwar years, it provides information on orders and decorations conferred.

The press has published a news release from the Press Office of the Episcopate of Poland stating that, despite the decisions taken, not all the aspects of the job security and personal safety of persons striking last August and September have been settled yet. In reply, the press spokesman of the ministry of internal affairs declared that General Czeslaw Kiszczak has ordered expediting this matter. "This proves that no 'political repressions' are being applied against the organizers of and participants in the August strikes."

Must Warsaw have as many as seven deputy mayors? This question was asked by a municipal councilman during the last session. He was told that this is specified in an executive order of the Council of Ministers, and besides, there had already been five vice mayors in the times of Starzynski [the mayor of Warsaw until 1939] when Warsaw had been smaller.

The first issues of 'GAZETA BANKOWCA' ["The Banker's Gazette"] have appeared on the newsstands. This is to be a weekly intended for Polish financial experts such as bankers, commercialists, accountants, and all other persons interested in making money. We wish it a successful start. [passage omitted]

On the Left

"We all desire to know the truth about ourselves, but the reality in the last few decades has been such that people are wasting most of their efforts, energies, and intellectual potential on conceiving untruths in the sense of patting themselves on the back and demeaning the opponent. Such endeavors have attained an apogee of refinement, but at the same time the immorality of such deceit is becoming increasingly evident nowadays." Such is the beginning of the article published in NOVOYE VREMIYA by Aleksandr Yakovlev, Politburo Member and Secretary of the CPSU Central Committee. The author proposes a joint—by the East and the West—endeavor toward mutual trust and stresses, "We are ready for openness as regards both domestic and foreign affairs. This means that we must jointly build new human relations."

In Latvia the party apparat is being revamped. A plenum of the Latvian CP Central Committee resolved to slash its apparat by 30 percent while at the same time restructuring it. The changes consist in separating the functions of state, party, and economic agencies and putting an end to the duplication of activities by different agencies. [passage omitted]

The KPDR [Korean People's-Democratic Republic] has criticized Hungarian authorities for establishing together with South Korea permanent missions in the capitals of both countries to attend to commercial, consular, and other affairs. The declaration by the spokesman of the KPDR Ministry of Foreign Affairs states, among other things, "As for the sophistic argument by the Hungarian authorities that they decided to establish ties with the

South Korean puppets so as to 'recognize the reality' of South Korea's actual existence, this is pure nonsense.... Hungary, which claims to be a socialist country, has decided to shake hands with the South Korean puppets and dance with them at a time when United States imperialists are doing all they can to turn South Korea into an economic and political base against socialism and demonstrating on the Korean Peninsula the 'superiority' of capitalism, on rallying to this end world reactionaries, including Japanese imperialism. What else can it be if not betrayal of socialism?" [passage omitted]

THE CHINA DAILY has proposed raising the pay of the intelligentsia. It points out that the average monthly wage of a white-collar worker in Beijing at present is 172 yuan, or 10 yuan less than that of a blue-collar worker. A blue-collar worker who at most has completed an elementary school education gets paid, on the average, 25 yuan more than a secondary school graduate and 34 yuan more than the graduate of a higher educational institution.

The cost of [consumer] services in Hungary is rising; in the first half of this year it has increased by 21.4 percent on the average. This is due to the elimination of subsidies for services. The cost of footwear repair has increased by more than 50 percent, barbershop fees are 30 percent higher, and the charges for construction services, automobile repair, and repair of household appliances have increased 20 percent. Laundromat fees have doubled. The initial response of the public was a decline in interest in these services. [passage omitted]

Nonrepayment of Debt Rejected; Interest Groups Viewed

26000133c Warsaw RZECZPOSPOLITA in Polish 14 Sep 88 pp 1-2

[Article by Krzysztof Bien: "No Ready-Made Formulas"]

[Text] On what grounds is the government criticized today? The unstinting criticism hurled today at the economic policymakers includes frequent references to the fiasco of the spring price-earnings operation. The operation did not fulfill the assumptions of ensuring more favorable conditions for the implementation of economic reform plans. On the contrary, the general criticism is that it has led to the current poor state of economic stability in all its fields—procurement, capital spending and above all, the consumer goods market. However, other aspects of Poland's financial situation are also caught in the crossfire of criticism.

As both Premier Zbigniew Messner and Deputy Premier Zdzislaw Sadowski emphasized during the last PZPR CC plenum, the government is not evading this criticism. This was reiterated by them at several points of the debate from the platform of the Extraordinary Sejm Commission for Verifying the Implementation of Economic Reform. Nor is the government evading its responsibility before the Sejm for the economic decisions it has made and implemented.

However, can we determine unequivocally from the course of the Sejm discussion on government actions what is definitely the fault of the government and what is the result of specific circumstances of the operation of the economy? Answering this question presents several problems. This is not to deny the recent Sejm assessment. However, because of these problems, it is all the more worthwhile to take a look at the objective difficulties that the state authorities must take into consideration as they make decisions that impact the financial situation of Poland and the family budget. In particular, it concerns such critical issues as wage and price ratios.

At the last meeting of the Finance Commission, the finance minister spoke emphatically and convincingly of those situations that sometimes become dilemmas both for the authorities and society that will impede progress in the reform and in the accelerated development of Poland if they are not resolved. The minister's speech was all the more convincing because his statement was preceded by opinions rendered by several commission experts that concurred on many points. These experts included Prof Stanislaw Kuzinski, Prof Augustyn Wos, and Prof Jozef Pajestka. Does this mean that the statement regarding the objective nature of the problems the government battles today is unjustified?

What's more, it is not in any way a desire to call what is black white; we can even speak of the intertwining of mutually interdependent circumstances. Let us look, for example, at the financial situation of enterprises that emanates, on the one hand, from the level of prices that has been attained and that, in turn, impacts the amount of employee earnings. Despite all laments regarding the problems in implementing the current repayment of payment obligations, if we make an objective assessment, on the average, the situation here is not deplorable. It is better than it was a year ago. Production has become more profitable this year. This does not emanate, however, from a stepped-up level of production or from improved management efficiency. Given the surplus of financial means and the materials shortage, this situation destroys the procurements and capital spending market. Given this situation, how can a decision be made? The government faces the dilemma of either giving its approval to instability or restricting profitability. It does this, however, at the expense of weakening this year's improved enterprise incentives for attaining higher profits. There is no good decision.

Another key problem that is difficult to resolve unequivocally is the method of regulating the amount of enterprise wage funds. This year, a special gap has arisen between private earnings, prices and the potential for increasing the flow of consumer goods to the market. However, this is not a new problem. As a matter of fact,

never in the postwar history of our country (other countries battle this problem as well) have we been able to designate and maintain wage, supply and price ratios at a level corresponding to market stability. To date, bank control of wages, administrative bans and stiff rate schedules have proved unsuccessful. The PFAZ [National Vocational Mobilization and Training Fund] has also been ineffective as it has now been liberalized with regard to last year's memorable "12" of the PPWW [tax on above-the-plan growth of remunerations] (many economists hold that this liberalization was a mistake).

This lack of success, however, is not an indication of the government's inability to manage the tools of the economy. It is primarily a manifestation of the lack of social support for maintaining some sort of preset wage and price ratios, as well as private earnings ratios for various groups, including workers and farmers. Private interests continue to be stronger and a price hike of just 1 percent immediately sets in motion a quickly accelerating wage "train" of groups, subbranches and plants. Those that really could earn more and those that do not work better but do not wish to remain behind their neighbors—the fictional middle—also get on the train. Until we work out some sort of principles of a societal wage consensus on a national level, we cannot ignore or minimize this objective barrier.

There are also other limits on the freedom of decision-making in the sphere of Poland's finances that are linked closely with tax policy. This policy meets daily with charges of excessive fiscalism. It refers in particular to the level of enterprise profits. No one, not even the government, maintains that the present structure of enterprise earnings distributed into prime funds and payments into the budget meets the aspirations of those that generate income and wish to turn it over into more rapid plant development. On the contrary, the 65-percent level of taxation (lower in reality) serves as a disincentive.

At the same time, it is clear that the taxation level is merely a secondary consequence of the actual division of the economy for societal reasons into a profitable part that yields profit and a part forced to live from the subsidy pot due to the price level. Until we return to a healthy price structure, we continue to be faced with a price-earnings operation that, in the words of the experts, including Prof Wos and Prof Pajestka, we can only postpone, but not avoid. There will always be an objective conflict between those that fill the budgetary pot and those that must live off it. The consequence of this is individualized taxation via the system of tax reductions.

Finally, there is still one more extremely important barrier to the freedom of wage-price-finance decision-making (certainly it is the most objective one). As Prof J. Pajestka noted, it is the state of Poland's external stability, particularly as it includes the level of indebtedness and debt servicing by foreign creditors. Vice President Z. Sadowski also emphasized this problem in his last speech before the commission. Regardless of the will of government or society, foreign debt servicing generates a financial deficit within Poland and on the domestic market of many hundreds of billions of zlotys. The deficit emanates from the payment of the costs of production that does not reach the stores but goes on account of repay credits incurred many years ago.

Of course, we could neglect to pay our debt, but such a decision would relegate our country to the sidelines of world economic and political relations. Moreover, it would certainly be out of the question for our society which aims so strongly to open itself to the world. If repayment were suspended, to save the market for example, this openness naturally would be destroyed or at least be reduced drastically.

The examples listed previously still do not exhaust the list of all the obstacles and barriers that should be taken into account and that are taken into account when everyday decisions are made that absolutely have nothing to do with issues of general economic stability or Poland's financial situation. Of course, we can consider whether governmental decisions are thoroughgoing enough in implementing proposed goals and in anticipating the possible negative secondary consequences. The extraordinary commission is doing this very thing. However, we cannot deny the existence of the problems that we have been battling for some time, not only since the reform began, but much longer—problems of the sort we have been discussing here. Nor can we doubt the good will of the government's battle with that that is still stronger than the reform.

TPPR Notes Better Climate for Development

26000133a Warsaw TRYBUNA LUDU in Polish 19 Sep 88 p 2

[Text] An elections-reports campaign preliminary to the 12th Polish-Soviet Friendship Society TPPR Congress is currently taking place at the TPPR.

TPPR Main Board chairman Henryk Bednarski briefed a PAP reporter regarding the most important elements of this precongress debate.

He stated that the new energy in Polish-Soviet relations, whose source is primarily the 10th PZPR Congress resolutions, the 27th CPSU Congress resolutions and the 19th All-Soviet Party Conference of Soviet Communists, has generated a better political climate for the expansion of TPPR work. It is based on the multilateral development of Polish-Soviet economic, scientific-technical and cultural cooperation, on new Soviet peace initiatives and on the ideological inspiration flowing from April's "Declaration on Cooperation in the Areas of Ideology, Science and Culture." It is also the rich fruit of Mikhail Gorbachev's visit to Poland that has clearly helped to step up the activity of our entire organization. Thus, at present, in view of these changes, the TPPR is faced with

new, challenging assignments and social expectations. These have been expressed quite clearly during the TPPR precongress elections-reports campaign. The campaign is concluded in circles, boards and at the primary levels of our organization. In September it moved into the voivodship conference phase.

We are already able to identify the major issues raised by our members as well as the consequent tasks that certainly will be of primary importance in the congress discussion.

Without question, the further improvement of our organizational, ideological-upbringing and cultural-popularizing work is a basic issue. We must find ways to work with society that meet the needs and interests of all age groups and professional environments, while adapting our efforts to today's times and its attendant problems. We cannot close ourselves in among our members and activists; on the contrary, at every level, our organization must become a focal point for people with different interests, views and even political positions. In us they must find solid information about Polish-Soviet relations, the complexity of the history of our peoples and the achievements of Soviet society.

The TPPR wants to play a more and more significant role to inspire various types of activities leading to closer ties between the peoples of Poland and the USSR, beginning with the most basic tourist exchange and ending with long-term cultural or economic cooperation. We are most interested in direct contact between plants, schools, various types of social and youth organizations and also whole cities and regions. For these tasks we need people who are committed and involved, who have broad horizons and who hold authority in their communities. I venture to say that such activists have come forth to a significant degree during the elections-reports campaign thus far. I also believe that the vast majority of them will obtain the mandate to be delegates to the 12th TPPR Congress. Their presence will ensure that our new program of tasks will be properly formulated and that it will be implemented with consistency.

Polish, Soviet Film Union Seminar on De-Stalinization

26000133b Warsaw ZYCIE WARSZAWY in Polish 23 Sep 88 pp 1-2

[Article by (d): "Film and the De-Stalinization of Culture"]

[Text] In Warsaw, a 3-day seminar of the Polish Filmmakers' Association and the Union of Soviet Filmmakers came to a close. The seminar was devoted to blank spots in art and culture, and even more broadly, in the history of both nations. This was the second part of an April meeting held in Moscow, at which historians joined filmmakers to present and discuss complex problems common to these countries as neighbors that have arisen over the epochs and years, problems that have been ignored through the years of silence.

The reason for organizing this seminar was not merely a formal one. The most substantive issue was that of Polish and Russian films that have had precarious screen careers. To be more precise, it was the issue of shelved films that have attempted to touch upon complex issues of the respective societies and countries.

In this way, the films were a sort of material evidence to stimulate discussion in both parts of the seminar. The motto of the Warsaw meeting was "Film and the De-Stalinization of Culture." At this meeting, our Soviet guests presented both fictional and documentary implementations, including several films from the 1930's that are anti-Polish propaganda films.

Prof Natan Ejdelman, Soviet historian and writer, expressed the idea and meaning underlying this seminar when he said that people still often say that the artists should wait until researchers open the archives. However, the time has come to bring up everything and the people, who want to do this and are able to do it, are there.

Another guest at the seminar, film critic Miron Chernienko, confirmed and expanded upon these thoughts. He said that since film relates a situation from its own time, it should be treated as an historical document. Thus, it should be useful for historians to view films since it is possible that what is lacking in the archives may be found on film.

YUGOSLAVIA

Head of Slovenian Peasant Alliance Interviewed

28000038 Belgrade DUGA in Serbo-Croatian 29 Oct 88 pp 54-55

[Article by Visnja Vukotic, based on interview with Ivan Oman, president of the Slovenian Peasant Alliance: "Kosovo Is the Serbian Carinthia"]

[Text] Was the Slovenian Peasant Alliance the harbinger of "Slovenian spring of 1988" or just an ordinary alliance of another social class? How and why was it born precisely in this time of disturbing social and political ferment?

The very first news that a new republic association was being established under Tivoli inevitably brought reactions. Suspicions arose that among the idyllic alpine hills there would be bluebells (growing wild or carefully planted?) whose tender petals sway in the rhythm of ethnic melodies.

The Peasant Alliance was created in an atmosphere of ever louder demands from Ljubljana for greater autonomy (that is, statehood) of the republics. Bursts of criticism were fired at the Yugoslavian Peoples Army (YPA) and at its Yugoslav orientation and structure. Demands were launched from the fortress of ancient Emona that it be "republicanized": so that each would have its own regiment, its own command, and all in the name of ethnic identity and democracy. The caustic debates about language and literature between Ljubljana and Belgrade were brought to a white heat. Heralds rushed from that verbal battleground with petitions for freedom of speech and thought, for equality of languages. The newspapers lamented over injured national pride and threatened human rights. Finally, the Jansa Case gave rise to large-scale protests and demonstrations.

It is no wonder, then, that against such an incandescent political background the gathering of Slovenia's rural dwellers under a single banner appeared to be yet another sign of ethnic and political division. Many interpreted it as the creation of a new party, as the prelude to a multiparty system in the country, and after that who knows what would follow. The founders of this new alliance, the first and only one of its kind in Yugoslavia, argued in vain that it had no ulterior political motives at all that would have pulled apart and disrupted the present system.

"What do they mean party? There is nothing to that. No renegade intentions whatsoever," Ivan Oman, president of the alliance, said in defense, answering the questions of domestic and foreign newsmen who have besieged him almost daily on his farm in the village Zminci near Skofja Loka. He told a reporter from FRANCE-PRESSE that the interest of the press would soon die out. "We are rather interesting to you at present because you think that we are some new political movement. But when you realize that we have no intention to bring about either a revolution or a counterrevolution, you will forget about us."

A Peasant's Diploma

Nevertheless, interest in the Slovenian Peasant Alliance has not declined. Ivan Oman has remained a figure who attracts attention not only because of his position, but also because of his ideas about how agricultural production should be organized, his views on present events, his openness, and his willingness to answer even the most delicate question.

He has neither an office nor a secretary, not even a telephone, so that you have to go right to his door and knock, without advance notice. But that is not all one needs to know to arrive at Slovenia's leading peasant. Because of the onslaught of the press, he has discretely let the journalists know not to come during working hours. Only early in the morning or after 2000 hours in the summertime, somewhat earlier in the wintertime. He received DUGA's journalist on his farm in Zminci only after he had "served" supper to all 35 head of cattle, and milk from 12 dairy cows had flowed through the plastic tube into the large tin cans submerged in cold water. From the henhouse, amid the deafening cackling and clucking of 600 laying hens and as many broilers, Ivan's daughters brought in overflowing baskets of eggs. It was the end of the workday for Ivan Oman (age 59) and his family, his wife Marija, two sons, and three daughters (a fourth is married). The next morning, their daily output is ready to go off to the dairy and stores in Ljubljana and nearby towns.

The Omans also tend 9 hectares of plowland and meadows and 24 hectares of woods, they go to school, and they are involved to some extent in politics. The oldest son is studying animal husbandry at the School of Biotechnology at Ljubljana University. When he gets his degree, he will not be competing with others for a job or applying to the employment security office. As his father Ivan sees it, his job will be on the farm. "It is time for educated people to cultivate the land. A farmer today, you see, needs secondary specialized schooling," he says, explaining why he wants to turn his son into a "college-educated peasant." In the Omans' house, which is not yet finished and has been furnished in the stylized peasant fashion, along with the "decor" of the most up-to-date models of kitchen appliances, the shelves are overflowing with books. They are mostly specialized literature on new technologies in agriculture and the modern way of cultivating the land.

The peasant is never quiet nor satisfied. Even when the harvest could not be better, he trembles that it will be ruined before he gets it in. One would not say that Ivan Oman is worried by droughts and storms. His view is not fixed on the sky, but on the market, on delegate rostrums and political structures where programs and prices are tailored. In answer to the question of whether he was satisfied with his position and his standard of living, he said: "Not now. The situation is extremely adverse for milk producers. The purchase price until recently covered only 50 percent of production costs. But what about labor and depreciation? It means that we are doing our work for even less than nothing. We are lucky to have additional income—the hens bring in 15 million odd dinars a month and the forest 12. But that is overtime work, or, as it is usually put, our moonlighting. If we worked only 8 hours, we would have little."

A Family Enterprise

Recently, Ivan Oman submitted a proposal of the Slovenian Peasant Alliance in the Slovenian Assembly for long-term resolution and restructuring of agriculture in the republic. It called for abolishing the maximum landholding of 10 hectares of cropland as a basic condition for improving agricultural production. This is a senseless, long outdated concept, Oman assesses, based on the wooden plowshare and hoe. The mechanization of a farm does not pay unless one cultivates 30 hectares.

Oman also spoke from the speaker's stand in fierce opposition to the low purchase prices and the intervention of imports on the market.

"Just name me another country than Yugoslavia which allows agricultural products to be imported without protecting its own farmers. Who else leaves its agriculture just to the market? Whereas agriculture is all they argue about in the EEC, for us it is our last concern." Oman wants a different concept of agriculture than what we have had up to now. According to him, food production should be left to family farms. A family is an entire enterprise. Many enterprises of this kind would form associations for purposes of financing, credit, purchase of supplies, and the market.

Could your model be applied in other regions of Yugoslavia as well, or is it only for Slovenian conditions?

"It is above all a Slovenian model. But, it seems to me, it would also be good for Vojvodina, Macedonia, and elsewhere. The condition is that the work be done by those who have professional knowledge. Unless the farmer has been trained, it is better for agriculture to be left to the large farms managed by specialists."

The idea of creating the Peasant Alliance was conceived back in late 1980. Ivan Oman was its originator. In the original conception, it was to be a kind of peasant trade union. This did not come about, since, in Oman's words, there were a great many opponents. "They told us that it was outside the system, that we would cause a crisis like the one in Poland."

What was heresy back in 1980, which is not so long ago, arouses only doubts in 1988. Although it still has not been officially registered, the Slovenian Peasant Alliance already has 5,000 members, bylaws, and a program. And it is quite certain: it has its own political shade and tendencies. Incidentally, this is not denied by its president. "It is all in fact politics, indeed even our alliance must be political to some extent. We still do not know what our legal status would be—perhaps a society, or perhaps an association organized around a special interest. It is certain only that we will remain within the SAWP," Oman says.

Many people still think that nothing less than a new party is concealed beneath the cloak of the association. Could it perhaps one day turn into a separate party similar to the peasant party that existed before the war?

"Such suspicions are unfounded. There are alliances like this in all the countries of Europe, and not one is a political party. The Austrians and Swiss, for example, say that they have nothing at all to do with politics. And if we had a multiparty system, I would be against the association becoming a party. We need an organization that brings all the peasants together regardless of what party they belong to."

Yet have there been attempts to draw your alliance into certain political currents in the republic?

"No, there have been no such efforts. No one has been exerting any political pressures on us. KMECKI GLAS has joined the Committee for Protection of Human Rights, but our alliance has nothing at all to do with that."

The winds of politics, which sometimes have hurricane force, do not whirl so euphorically in the hidden and sometimes inaccessible hollows of the Slovenian mountains as they do in the streets of Maribor and Ljubljana. Perhaps because of a position which allows him to stay out of day-to-day political events, or perhaps it is his peasant clarity of mind, Ivan Oman belongs to those who would like to overcome the accumulated problems and misunderstandings without passion or squabbles.

Serbs, Say Good-Bye to Kosovo

"There is much talk about Slovenian separatism and nationalism, all of that is excessively dramatized, and it could all be overcome in a simple way."

How?

"Through trust and plain dealing."

What does plain dealing mean in this great muddle when everyone is pulling in his own direction, the republic direction, the ethnic direction, the regional direction?

"It means let everyone pay what he owes." For Ivan Oman, that is a simple thing. "Do you know what a modern government does?" he puts a rhetorical question and answers it: "It sets prices. An absolutely free market is impossible. The government has to control the prices of certain agricultural products, energy, transportation, and perhaps steel as well. The rest should be left to the market."

Clear accounts, democracy, autonomy of the economy, self-management, an honorable attitude toward work, would in the judgment of Iman Oman bring about concord and remove the burden of present economic troubles. "The bad policy over long years is to blame for all this. I reject the opinion that the policy can be good when the results are distress and misery."

It is still possible to see far from Triglav, but is everything clearly visible? It will still remain inexplicable why our pasts, presents, and futures are seen differently beneath the Alps than beneath Avala, Sar Planina, Romanija. Why is it that Ivan Oman, a Slovene who likes the Serbs ("I did my military service in Valjevo, and my best friends were Serbs") and advises them to say good-bye to Kosovo, thinks differently from his counterpart beneath Kopaonik?

"Kosovo is unfortunately lost," he says, as though it were already an accomplished fact. "It is a tragedy of the Serbian people. There are no longer any Serbs there. There is no saving it, just as Carinthia is lost to Slovenia."

But Kosovo and Carinthia are not the same thing, I insist. The Carinthian Slovenes at one point made their own choice which side they would go to!

"That referendum was rigged. When Carinthia was divided into Zone A and Zone B, there were so many German villages in our zone that it was not difficult at all to put pressure on those few Slovenian villages to win them over for Austria."

The YPA and the Austro-Hungarian 'Armada'

Oman also mentioned to me the erroneous policy "dating back to the time of King Alexander" and the "unstoppable birth rate" which will destroy all other arguments.

Could Kosovo be a "Serbian Carinthia"? Whereas Carinthia was taken away from the Slovenes by external powers, will Kosovo be taken away from Serbia by "external, domestic powers"?

What is hidden behind this "personal view," this Slovenian "alpine view" of the Kosovo issue, which has also been expressed in resolutions to the effect that the term "counterrevolution," used in assessing the Kosovo events, should be reassessed!

Is Kosovo a common concern for all of Yugoslavia?

"I think that it is Serbia's affair. Unfortunately, some things in the Federation have not been worked out as they should have been. The Constitution did not sufficiently spell out the sovereignty of the republic over the provinces. Kosovo would become a Yugoslav affair only if it became a republic. It is in that fashion that the Serbian people would solve the problem most easily. Then at least something would be rescued. I know that these are heavy words, but I see no other way out of this situation."

If the proposals from Slovenia were acted on, Kosovo, then, would also have its own army. "What do you think about republic armies?" I asked Oman, who truly does not conceal his thoughts and is altogether open. He said he was convinced that a national army would contribute to Yugoslavia's unity provided it had a joint supreme command and strategy. He gives Austro-Hungary as an example. He recalls that at that time the Slovenes served in Slovenian regiments, the Croats had their own, the Hungarians theirs. Austria, he says, was not threatened by that.

I added:

"Until World War I, when it fell apart."

"Because it wanted half of Europe," he corrected me.

And this is reminiscent of the true "peasant philosophizing" (peasant clarification!) of politics, in which parallels are possible such as Carinthia and Kosovo and this new one: the YPA and the Austro-Hungarian "armada." (How happily the Slovenian "ethnic" regiment died on the Piave under a foreign flag, with the Slovenian language, on behalf of "schwarz-gelb" [Austro-Hungarian] interests!)

Nevertheless, if one does not credit all of Ivan Oman's arguments, one must at least truly esteem his honesty and openness. And is this not the first condition if we really want to understand one another. To make a start by not telling lies! He really says what he thinks without any sort of shilly-shallying. He is still much more a "peasant" than a politician!

Recently, there has been a great uproar in Slovenia about the threat to democracy in Yugoslavia. In talking to someone like Ivan Oman, who truly did not join the Committee To Defend Jansa and the others, one must inevitably ask a question on that topic: Are human rights really threatened in Yugoslavia?

"That is a broad term. It is certain that from the standpoint of liberal political choice or a political association, all rights have not been protected. The candidates for elections, for example, are nominated by the Socialist Alliance. Before the 1974 Constitution, candidates could be nominated by voter caucuses and groups of citizens. Now that is gone. With the 1974 Constitution, that is, we went backward in that respect. And the beginning of our crisis dates from that time."

As we parted, late at night, Ivan Oman, hospitable host, a peasant who became the man of the day on the political scene in the spring of 1988, tells me that in the morning he is going to Triglav.

"I can hardly wait for day to break. No one knows why, but we Slovenes have to go to Triglav. It is a symbol of Slovenia, it is our Sveta Gora!"

In Belgrade, a streetcar waited to take me to the 21st century. There a large cross would soon be lit on the Saint Sava Shrine. The largest in the Balkans, it is said.

And the bitter doubt that we are rushing toward our lost centuries and to territories instead of toward the future!

How many kilometers are there from the Saint Sava cross and the yodeling on Triglav?

BULGARIA

Strategy for Restructuring Institutes, Scientific Facilities

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[Article by Senior Scientific Associate Candidate of Economic Sciences Benko Stoyanov Benev and Scientific Associate Candidate of Economic Sciences Nikolay Dimitrov Ivanov: "New Stage in the Development of Research and Technology Organizations"]

[Text] In our country the research and technology organizations (OIT) covered a long and complex path of development and became necessary units in the structure of the national scientific front, providing a technological backup for production. They were established as a kind of factories for the creation and dissemination of technological products, whose purpose is to provide direct services to updating the technological base and output in self-governing socialist organizations (SSO).

The organizational forms within which the OIT are created and function vary. They include institutes, centers, technological development bases, experimental stations, laboratories, and so on. The law also stipulates the possibility of OIT participation in respective technological associations, such as technological or scientific and technical centers, and so on. According to approximate data, currently there are more than 500 OIT in the country, employing some 63,000 researchers, designers, engineers and application workers, i.e., a powerful elite cadre group, professionally separate and deployed within the first echelon of technological retooling.

The creation and establishment of the OIT is an unquestionable accomplishment of our scientific and technical policy, achieved within a relatively short time, which contributed substantially to the country's economic and social development. The increased significance of the OIT in terms of the technological updating of production demands ever more insistently that particular attention be paid and special concern be displayed for their productivity, efficiency and social prestige. To date questions related to making OIT activities consistent with the new tasks and the fundamental principles of restructuring of the economy and the other areas of social practice is particularly pressing. It would be no exaggeration to conclude that the OIT have already gone beyond the stage of their "childhood" and "adolescence," and that they must now be actively and efficiently included in the efforts and make their contribution to achieving a new quality of economic growth.

Today the country has objective prerequisites and necessary conditions and reserves for the restructuring of the OIT. The study of their results and efficiency, based on the stipulations of the party's July concept, highlights the need for establishing a new model for these organizations, which would make the following possible:

a. Strengthen the organizational and economic autonomy and self-management of the OIT as units engaged in specific labor activities (which are neither "purely" production nor "purely" scientific);

b. Coordinate the management mechanism with the specific nature of OIT activities and products;

c. Strengthen and expand interaction between the OIT and production and other economic organizations and scientific systems on an economic basis;

d. Provide active motivations for the cadres to achieve high technological results.

Today the science of economics and the theory of organization and management are facing a qualitatively new organizational and economic phenomenon in the organizational system of the national economy: the OIT, as economically equal and independent organizational units. This requires their profound and objective study and the search of solutions for their restructuring and further development. Any underestimating or superficial attitude toward such problems today would inevitably bring about major scientific and practical difficulties in the future.

The theoretical and practical interpretation and giving priority to the nature, role, significance, objectives and functions of these organizations are of exceptional importance to the proper solution of the responsible problems of OIT reorganization. We must shed light in the functions, rights and responsibilities of the OIT as a foundation for the building of the corresponding mechanisms and rules governing their management and functioning. For the time being, however, theory has not provided a satisfactory answer to the question of the significance of this organizational form in the structure of the national scientific, technical and production potential. On the other hand, practical experience continues to underestimate their functions and, above all, their usefulness in public production.

The OIT are organizational forms for the creation of technological products used in achieving progressive technological changes in the production process. These products are transferred to production under the form of documentation, samples, prototypes, models, and so on. This shows that the OIT product is the material and technical foundation and, frequently, even the decisive prerequisite for regular production and for an even greater updating of the production apparatus and output.

The technological product has a consumer value, which is realized in its production. The creation of technological products takes place in the area of technological activities through the conversion of scientific ideas into materially tangible results. Considered in this aspect, technological activity is a specific and characteristic labor activity through which the creative-transforming

process of converting spiritual values into real consumer values in the area of material production is achieved. Technical creativity, engineering, and search for pragmatic solutions on the basis of objective scientific decisions, which should be such as to change existing technology or replace obsolete with new equipment, predominate in OIT activities. Looked at from this point of view, the nature of OIT activities leads to the conclusion that these organizations are a specific sector of the national economy with a relatively autonomous nature, functions and significance in making industrial preparations for new and improved technologies or products.

In the course of its production, the technological product largely loses its substance, which is converted to the corresponding level of technology or output. Hence the conclusion that the efficient and highly technological production, technological renovation and retooling are functions of the technological activities of the OIT. Consequently, the specific nature of such organizations is manifested precisely through their ability and possibility of creating a product requested by the respective consumer, to be produced within the stipulated time limit and on the required quality level. It is important, therefore, for the OIT to be economically, organizationally and socially independent as self-governing units.

The OIT do not work for the sake of satisfying someone's "curiosity," or for publicity, aimed at earning scientific titles and degrees related exclusively to individual scientific growth and interest of the cadres. The prime economic prerequisite for the existence of the OIT is that of achieving high end results which may satisfy the requirements of the respective consumers. It is no accident that in both theory and practice the view became prevalent that OIT products are of a commodity nature, i.e., they are created not for the sake of satisfying internal needs but for satisfying the needs of a producer, known in advance. This stipulation was reflected also in the legal documents regulating OIT activities. Consequently, in order for the OIT to exist, they must produce goods which will be socially necessary; they must be sought and purchased by the SSO and truly contribute to their development. Unfortunately, statements have begun to appear in the mass information media to the effect that work in the OIT is hardly socially necessary. This indicates high level of incompetence, which questions the efforts of the party and the state in making a scientific and technical revolution through a group of elite technological cadres. For that reason, such "opinions" and views hinder, through their conservative attitude, the restructuring of the OIT.

This leads to the following conclusions:

First: In the choice of economic regulators and rules for influencing the OIT the ways, means and standards of "pure" production must not be mechanically applied to the OIT. This approach is not only inexpedient but could also have major negative consequences. The production management system is based on principles the purpose of which is to guarantee the "hardware" (end product) which goes to the market. They are not entirely suitable in managing organizations producing "software" scientific research and technological products. It is difficult, however, to recommend in advance corresponding specific principles, methods and standards, the more so since scientific research and technological activities are not heterogeneous and their products are varied both in terms of their material aspects and means of influence on the production process. That is perhaps why in frequent cases it is only the legal decisions which are being criticized without even making an attempt at suggesting a constructive solution to problems of OIT management. In this respect ideas remain insufficient and researchers continue to be in debt to practical workers. The strategy of OIT reorganization, however, in any case calls for having them operate on a cost accounting and self-support basis, earning the funds needed for their self-financing and development based on the end economic results of their activities.

Second: The OIT are not academic scientific organizations but a type of "company" institutes. Their products are directly applied in production, i.e., they are not general but have specific "addressees." For that reason the consideration of OIT as "purely" scientific systems draws the interests of their cadres away from the objectives and tasks for which they were set up. From this viewpoint equating the OIT with academic scientific organizations is inexpedient. The logic of technological activities also does not allow the automatic application of academic and VUZ forms of organization and assessment of their labor. Currently the OIT must apply such forms in solving problems related to the development of cadre skills. The models applied in evaluating cadres are inconsistent with the nature and results of OIT labor. This applies both to criteria used in the assessment and the procedures and technologies for cadre development. Consequently, here as well we need a certain autonomy which can counteract the "drain" of cadres going into basic science and organically link the creative growth of cadres with the production of technological items.

The search for specific ways, means, regulators and standards for OIT management must go on. Practical experience has indicated that the current status of the economic separation of the OIT from the production system was useful but has already exhausted its function. It must be restructured in such a way as to stimulate high efficiency and the prestige and usefulness of the OIT in the process of developing the new technological base of socialism. The main trend in this restructuring should be related to shifting the "center of gravity" from regulating activities to regulating, on the basis of quality, the social usefulness and economic results of research and technological products. Such an approach would be more consistent with the spirit of self-management, autonomy and material incentive and responsibility.

One of the radical problems related to the activities and overall efficiency of the OIT is defining the limits of their economic autonomy and stability. In this respect ever

new and difficult problems arise, awaiting their answer. Increasingly the OIT economy is developing as a trend of economic theory with its own prospects and significance. However, studies in this area are still sporadic and timid. There are excessive repetitions, explanations or arguments about that which exists or has been practically proven. Faced with the objective need of specifically solving "live" problems, the decisionmaking authorities must formulate the corresponding rules governing OIT activities. Naturally, they are not perfect but they are effective and are backed by theoretically developed options.

In recent years a great deal of efforts and concern have been devoted to strengthening the economic stability and autonomy of the OIT. For quite some time they have worked on the basis of self-support. Rules were formulated concerning price setting, contractual relations, monetary funds, distribution mechanisms and regulations governing the organization of wages. Put together, these measures made a considerable contribution to their economic strengthening. This is an unquestionable accomplishment which was persistently developed for a number of years. It would not be immodest to say that in this respect an original Bulgarian model of OIT economic development was created. This model proved to be a reliable foundation for the introduction of new and more efficient economic regulators and standards aimed at qualitatively changing the nature of activities and level of research and technological products.

An essentially new aspect of the economic influence on the OIT is the application of the new taxation system. An expanded system of taxes was applied, each one of which is aimed at influencing certain parameters in OIT activities. The use of this system is dictated by the commodity nature of OIT products, which allows them to be classified as enterprises. In this sense let us note that, in our view, this important economic maneuver had to take place gradually, depending on the strengthening of the financial status of the OIT.

The taxation of the OIT, based on rates applied to production organizations (with the exception of the tax on basic production capital) will introduce a number of new aspects in their economy. First are substantial changes in the distribution of balance-sheet OIT profit. Prior to the new tax system, OIT income was considered the income of the organization, distributed among its individual funds and wages. Under the new circumstances, more than two-thirds of it will be used to pay taxes. The "effect" of this influences the possibility of withholding assets for the monetary funds (which sometimes fail to meet even minimal standards), and the use of bank credits and even having the necessary funds to meet the payroll. All of this could lead to an unjustified reduction of the productive potential of the OIT, which were established after such a long time and with such great efforts.

At present a situation is developing within the OIT of seeking financial sources to meet the new tax payments. The organizations are raising the price of their products. Preliminary studies indicate that in 1988 prices will be increased by some 6 percent compared to 1987. However, there is an urgent problem of the attitude of customers concerning this increase. There are serious grounds to expect that the SSO (which control the maintenance of the OIT) will refuse the contracting for technological products at higher prices. They will plead shortage of funds although the rate of expenditures which will be established for scientific research and technological activities (NITD) will have been set.

Nor is it accidental that a number of OIT are tending temporarily to postpone their tax payments, basing their act on the Regulation on Economic Activities (PSD). In turn, this increases "bureaucracy" instead of creating conditions for flexibility and self-management. These problems indicate that the application of the new tax system in the OIT will initially encounter major difficulties. This calls for an urgent discussion of measures concerning the expediency of temporarily postponing some tax payments, and thus protecting the OIT from a difficult financial condition. It is possible gradually to introduce an overall system of taxes to the full amount of their rates. We must not forget that the July concept approved the gradual approach as a major prerequisite and principle of restructuring. In our view, such an approach toward the OIT would result in the easier and smoother adoption of the new tax system. In turn, the OIT managements should properly assess the new situation and concentrate on upgrading the standards of their products (and, therefore, their income) by intensifying the use of available potential rather than reducing it on the basis of concluded contracts and secured revenue.

On the other hand, fiscal science faces the problem of evaluating, on the basis of objective positions, the results of the application of the new tax system by the OIT. We must not underestimate the fact that technological activities are creative in nature, as a result of which a number of specific requirements may assume priority. This calls for making the necessary extensive studies and keep steadily under observation and assess the influence of the new taxes on OIT financial conditions. It would be proper for the study of such problems to be assigned to specific scientific units (or programming collectives) with a view to formulating accurate and scientific conclusions and suggestions.

It is expected that the manpower tax will have a special influence on the economic stability of the OIT. Preliminary studies indicate that it is creating the greatest economic difficulties for the OIT. It is no accident that demands submitted by the organizations for its elimination are those most frequently formulated. Without denying the need for such tax for the OIT, it would be expedient to apply it in such a way as to prevent

economic and cadre consequences which would be difficult to correct. Depriving the OIT of financial resources through the tax system would deprive them of their economic independence and would convert self-support from a means of intensification into a barrier to their development, difficult to surmount. Nor should we forget that the purpose of the restructuring and of the new economic regulators and rates is to make labor more effective and end results better through internal economic motivations rather than to erect stiff economic barriers. We must also take into consideration some possible "side effects," such as any excessive increase in supernumerary personnel and the "redistribution" of cadres among the different OIT as a way of avoiding the manpower tax.

One of the key problems concerning the results and efficiency of the OIT is upgrading the significance and impact of the technological products they create. The OIT have been very frequently criticized for their failure to create significant and promising technological products which would represent a breakthrough. The number of tasks of a basic and risky nature is insufficient; problems of short-term (turnover) significance predominate, and so on. Let us note in this connection that the orientation of the OIT toward significant problems and breakthroughs does not depend on their wish and possibilities alone but is determined, above all, by the request of the customer. In this respect, two conflicting trends appear:

First: The financial and economic dependency of the OIT on the enterprises leads them directly toward technological production problems. This is a positive trend which has redirected the OIT toward the specific real needs of the production process.

Second: In their aspiration to ensure the necessary support they need at all costs, the OIT have begun to take shortcuts in tasks set by the producers themselves, i.e., within the framework of their assignments. This has greatly reduced their aspiration toward inventions and top achievements. It has oriented the OIT potential toward problems of current technological progress. Efforts to correct this through price mark-ups failed to yield the necessary results.

Consequently, the main reason for which the OIT are not creating significant technological new developments is the lack of a strong economic incentive, and even coercion. Their economic status "pushes them" close to the problems of current technical progress and petty temporary assignments. Possibilities for basic, long-term and risk-involving developments of a structure-determining nature were restricted severely. The financial self-support of the enterprises led to a type of conflict with their strategic interests and the requirement of a broad structural, technological and product updating. As a result, the enterprises are not displaying high technological ambitions but are satisfied with existing on the basis of more limited prospects, for the condition of our market allows them to feel themselves relatively safe. Studies have indicated that most of the contracts concluded by OIT are with enterprises and economic trusts. A survey of 20 OIT indicated that they are working on nearly 2,000 scientific and technical problems, 1,800 of which (about 89 percent) are based on contracts with enterprises and trusts, and only about 150 on contracts with the former DKIT or with associations. This structure of contract projects clearly illustrates the low share of long-term structure-determining new developments. Consequently, the trend of a lowering of the share of developed significant new projects is not accidental. The solution to this situation should be sought in strengthening the government's influence on the OIT, which should be expressed through the creation of economic conditions and prerequisites for the development of strategic innovations of a structure-determining significance. We must not underestimate the fact that such innovations significantly upgrade the quality of the other OIT output aimed at solving problems of current technical progress.

The quality of OIT activities greatly depends on the skill, persistence and exigency that the contracted assignments be carried out on the basis of a clear and well-defined technical-economic assignment. Orientational studies indicate that about 20 percent of the contracts have been signed without any technical or economic assignment. The appendices to economic contracts do not include requirements concerning the maximal production costs of finished goods (about 65 percent of all assignments), the price of the new commodity, the volume of output for the first two years, the means of the utilization of such output, etc. A number of contracts stipulate the technical and economic assignment (TIZ) to be developed "on the go," i.e., in the course of the implementation of the assignment. All of this introduces uncertainty in the development of the product and in carrying out the technological activities themselves. It is hardly possible to work on a high quality level for a customer who does not know himself what precisely he needs. This legitimately influences the evaluation of the technical and economic standard and the influence which technological products have on the production process after they have been accepted and paid for.

One of the important problems which influences the restructuring and organizational stabilities of the OIT is related to the clarification and ratification of their status as enterprises. Presently not all OIT with institute status have the necessary organizational and economic autonomy for pursuing efficient technological activities. About 40 percent of the institutes have the status of branches of the corresponding SSO and operate on the basis of internal cost accounting. In a number of production systems, such as Balkan in Lovech, the Mashstroy ZMM in Troyan and elsewhere, they have the status of branches. The view of the economic managements is that they do not need independent institutes. It is no accident that such "institutes" are quite anemic when it comes to the significance of their output and that their title is formal and undeserved. Furthermore, they artificially

increase the number of OIT personnel and create the erroneous idea that a number of institutes have been created, triggering an artificial stress in the area of NITD. That is why it is extremely necessary, on the basis of certification, to make a strict evaluation as to where and which SSO should have institutes, in the strict meaning of the term, as it theoretically and practically applies to the OIT. It would be equally expedient to introduce a basic and meaningful demarcation between institutes which have the status of enterprises and of branches, and which operate on the basis of internal cost accounting. Such a separation would lead to the following:

First: Excluding the second group from the class of organizations labeled "institute." The units in this group could develop as technological or engineering departments of the respective economic systems. The effect of this would be double: On the one hand, a situation would be created to strengthen design and technological activities in plants and enterprises; on the other, the system of institutes will be freed from pseudoscientific units whose twin nature does not benefit either the production process or the ITD.

Second: Setting up an independent group of institutes, relating the title to the legal and economic status enjoyed by such organizations. It is particularly important to prevent any limiting of the legal and economic autonomy of the OIT within this group and firmly assert their self-management.

Such a deployment in the area of the OIT, depending on the nature of activities and status of the respective organizations (units) is entirely in the spirit of the latest party decisions on strengthening the national network of technological units. The solution of these complex problems is, above all, the obligation of associations and the oblasts whose leading authorities have both the rights and competence, together with the economic trusts and enterprises, to make the corresponding decisions. Underestimating the objective need of certification and redeployment of technological units would adversely affect the efficiency of technological activities and the contribution of such activities to reaching a new quality and accelerating economic and social progress.

Improving the internal organizational structure of the OIT is particularly important in restructuring their activities. At the present time it is dominated by "rigid" structures (sections, laboratories, departments, trends, etc.). These are necessary subunits which form the "backbone" of the OIT. On the other hand, however, such permanent units do not have the flexibility which is needed for the dynamic implementation of ITD. It would be expedient, therefore, to concentrate within them the functions and activities related to the creation of a reserve of developments (which outstrip research) and the professional growth and development of cadres, i.e., the creation of products "for in-house consumption." We must bear in mind that predetermining the rights of fixed structures inevitably leads to an increase in bureaucracy and adversely affects the flexibility of OIT cadres and resources.

In recent years the so-called dynamic (temporary) structures have become increasingly adopted by the OIT. This trend is entirely consistent with the logic, nature and dynamics of technological activities. It is particularly important in "structuring" the internal organizational framework of the OIT to bear in mind that dynamic units constitute their "muscular system." For that reason the flexibility of reaction to consumer demand exceptionally depends on the possibility of establishing dynamic structures and on their rights. It would be expedient, from this viewpoint, for the dynamic structures to be assigned the "production" of engineering and technological items (ITP) aimed at the "market," i.e., at their use by the respective customers.

The program collective is a particularly useful and promising form of dynamic organization of technological activities. Any OIT can set up a program collective. The purpose of such collectives is to solve quickly, qualitatively and entirely (comprehensively) important scientific and technical problems, organically linking the individual with the collective interests of the performers.

The program collective exercises the rights of a primary labor collective (PK-PTK) and operates on the basis of internal cost accounting. It concludes an internal contract with the performing OIT (the base OIT), independently handling its allotted financial, material and other resources. In paying wages, the program collective applies the principle of brigade contracting, assessing individual contributions and determining the individual wages of every participant, regardless of his previous job. Consequently, the program collective is based on economic autonomy, efficiency and possibility of attracting all the necessary specialists and even teams in carrying out assignments the nature of which calls for a set of various activities (designing, research, experimentation, instrument making, manufacturing prototypes and sample series and all types of engineering work which would lead a given development to its useful and efficient completion).

The study of the practical experience in setting up and operating program collectives indicates that this organizational form is gradually "gathering speed." With increasing frequency the OIT managements are initiating the establishment of program collectives. The 20 OIT which were surveyed indicated that about 50 program collectives had been set up. The tasks of these collectives primarily involve greater complexity, more resources and more time, which significantly exceeds the levels of "traditional" planning assignments. For example, the average contractual price of assignments performed by the PK-PTK in said OIT is about five times greater than the cost of assignments included in their plans. The

study of the investigated OIT with PK-PTK has indicated that they employ some 2,000 people, i.e., that the average program collective has about 50 members. The number may be higher in some organizations. All of this indicates that the OIT is gradually creating the necessary situation and developing an aspiration to ensure the full use of this progressive form of intrainstitute organization of research, technological and preproduction activities.

Regardless of this favorable trend, however, we must note the timidity and uncertainty displayed by some managers in setting up such program collectives. Ignoring the real legal possibilities of creating such collectives, in frequent cases the OIT managements emphasize to customers the various "reasons" for which they are unable to perform some assignments. For example, at the OIT of the Chavdar Bus Manufacturing Combine in Botevgrad, the institute's collective refused to contract for important assignments and to accept responsibility for setting up program collectives for their implementation. The frequently indicated "difficulties" could be surmounted or eliminated precisely by setting up such program collectives.

A major feature of the program collectives is their competitiveness. Two basic forms of competition exist between program collectives and other organizational forms: labor competition and product competition. The former applies when the program collective undertakes to carry out an assignment at a lower cost (essentially in terms of labor); the latter, by offering higher end results at the same cost. Enterprises and associations could also set up their own PK-PTK, bypassing the services of their own OIT, should they be dissatisfied with the latter's conditions. This eliminates the monopoly right of the OIT to formulate its requirements without assuming the initiative and responsibility for seeking new and more progressive solutions. Naturally, the customer himself bears corresponding responsibility and obligations to the OIT concerning the establishment of PK-PTK, which must be reflected in the signing of the economic contract.

The situation which has developed concerning the establishment and functioning of program collectives indicates the need to help the OIT to realize the necessity and usefulness of program collectives and to enhance their attractiveness. Particular attention should be paid to economic problems related to the establishment and functioning of PK-PTK. This is a problem which, consciously or self-consciously, is being ignored by a number of theoreticians of program collectives. Usually the emphasis falls exclusively on the organizational rules governing the functioning of PK-PTK. Studies in this area must be broadened and be concerned with the real problems, so that they could be of real use to the OIT managements.

The purpose of the program collectives is not only to shorten the time for the implementation of a given assignment but also to upgrade the material incentive of their members through proper efficient stimulating methods. It is no accident that the contract principle of payment is basic to the PK-PTK. The funds needed for the upkeep of the corresponding collective are provided by the OIT which has signed with it an internal contract. In the absence of such a contract, the PK-PTK lose their meaning, above all due to the situation that they are unable efficiently to stimulate their members. Unfortunately, this aspect is being greatly undervalued. In frequent cases PK-PTK are established, and yield results unrelated to the material incentive of their members.

Another important problem which influences the effect of PK-PTK activities is the means of their staffing. The idea of the "designers" of the new mechanism is to attract through program collectives all customers and specialists on whom the overall implementation of the assignment depends. Practical experience, however, has indicated that this intent is not being implemented, for PK-PTK participants are recruited mainly among OIT cadres and the participation of the producers and, particularly, the consumers of the new product or technology is underestimated. The 50 collectives which were surveyed have shown that nearly 85 percent of their membership consists of personnel of the corresponding basic OIT organization. Only 11 percent come from consumer enterprises, about 3 percent from academic and VUZ organizations and no more than 1 percent from commercial organizations. This reduces the possibilities and guarantees of the applicability of ITP provided by the PK-PTK. Essentially, the program collectives turn into ordinary internal operating instruments of the OIT, which greatly lowers the overall effect of their activities.

The brief period of application of the legal rules governing the PK-PTK does not allow us to make a full and real evaluation of the efficiency of their activities. Indecisiveness and fear which exist in this respect are essentially the result of the insufficient mastery of legal requirements. At the present stage, consequently, active and purposeful consultative activities are necessary to help the OIT in the creation and organization of activities of program collectives within the regulatory framework.

The restructuring of the OIT is exceptionally sensitive when it comes to the motivation of the cadres they employ. The quality of the products they create directly depends on the level of qualifications and the professional and social motivations of the cadres. Bearing in mind that such cadres are the elite of the manpower, their motivation directly influences the pace and scale of public reproduction and its efficiency.

As a result of the efforts which have been made, talented inventors, winners of the Dimitrov Prize, creators of significant technological new developments, and so on, have appeared within the OIT system. Nonetheless, the cadre problem remains unsolved, such as to be consistent with the importance of the OIT in scientific and technical policy. We are facing the outflow of talented

designers and technologists. Knowledge of global trends and material and moral incentives is insufficient. Working for the OIT is not prestigious or attractive. There is no efficient system for the development of skills. The factors which determine the motivations of OIT cadres are varied. However, they must be related within a single system which would function in a single direction.

First is the problem of the status of positions in the OIT. The classification into scientific workers and specialists with higher education is inconsistent with OIT interests. In our view, the OIT should not have positions automatically borrowed from academic and VUZ science. Today the cadre growth in the OIT is automatically related to the laws and regulations governing scientific degrees and titles. The aspiration to professional growth within the OIT conflicts with the objectives, nature of the work and financial self-support of the latter. That is why it is high time for the OIT to be rid of their "academic syndrome" in their cadre practice and to offer positions consistent with their interests. Possibilities in this respect could be sought in the application, on a priority basis, of Council of Ministers Letter No 66, which would make the transfer from one qualification level to another consistent with the commodity nature of OIT output. This will eliminate the need for evaluation procedures by the Higher Certification Commission, which are quite lengthy and are essentially unrelated to the contribution which OIT cadres make in the area of technological retooling.

The second problem is related to the material incentive of OIT cadres for prompt and qualitatively developed products and for mastering such products by industry. Unfortunately, the "life cycle" of the few rules for stimulating application, introduced so far, have turned out to be very short (until 1985, economic effect; until 1987, additional earnings as per Council of Ministers Letter No 65; in 1987, additional profit as per Article 140 of the now abolished PSD; and in 1988, additional profit and income from marketing, as per Article 71 of the PSD). In practical terms, this deprives the cadres of incentive possibilities. The OIT managements and their economic services found themselves in difficulty, which was skillfully used by the SSO in not granting funds or delaying payments. In turn, this created a mistrust in the incentive mechanism, a lowering of pride of the cadres and reasonable doubt that one could be rewarded for developing a technological novelty.

The third important cadre problem of the OIT applies to the introduction of corresponding evaluation procedures which link the development of cadres to their actual contribution to the creation and utilization of qualitative technological products. Today these problems become particularly relevant in the light of Council of Ministers Letter No 66 pertaining to the new organization of wages.

Active efforts must be made to solve OIT cadre problems. Many of the necessary measures were already included in the resolutions of the February 1985 and January 1986 BCP Central Committee Plenums. Unfortunately, even these changes are insufficient. The situation continues to move along the worn-out academic tracks. It is no accident that currently as well the necessary creative atmosphere, which is the foundation for productivity and efficiency, is lacking in the OIT.

Particularly important today are problems of evaluating labor intensification in the OIT as a prerequisite for the quality and efficiency of their products. We already emphasized that the present condition of OIT labor productivity and efficiency does not satisfy requirements and is even inconsistent with the wage level. It is no accident that steps are being taken to limit unjustified wage increases in such organizations. Unfortunately, in this area the exigency in the OIT has been lowered.

Self-management also means control over factors which influence the quality and intensification of OIT labor. Efforts must be made to ensure the total intensification of labor in such organizations. There is a need for a specific evaluation technology, which would determine labor productivity and compare the level of intensification with that of wages. This could make decisionmaking related to tax payments and establishing ceilings for the wage fund objective. In the methods which existed so far, the center of gravity was on the quantity and quality of the OIT potential. The scientific center of the former DKIT, with the help of some leading OIT, developed an essentially new methodical apparatus for evaluating the factors which influence labor intensiveness in the OIT. The purpose of the method is to evaluate the condition of the organization and, on this basis, to make corresponding management decisions. The method was made available to many organizations but the lack of reaction on their part and of a wish to apply it indicated that they have still not become attuned to or felt an internal need for managing intensification processes.

The problems of OIT restructuring are comprehensive and difficult. The authors of this article do not claim to have encompassed them in their entirety but have tried merely to draw to some of them the attention of the corresponding researchers and specialists. They also deem it expedient the establishment of a program collective which would formulate a unified long-term strategy for upgrading OIT efficiency on the basis of a system of organization and management consistent with their role and possibilities.

CZECHOSLOVAKIA

Wrong Investments as Cause of Plan-Fulfillment Problems Viewed

23000043a Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 27 Oct 88 p 2

[Article: "Czechoslovakia Reviews Investment Plans"]

[Text] The chances of Czechoslovakia fulfilling the 1988 plan which has been revised downward do not look rosy. The 3.5-percent economic growth which had originally

been targeted for in the 5-year plan has long since been filed away. Now 2.3-2.5 percent is considered realistic. Recently, Vertelar, deputy chairman of the State Planning Commission, estimated that the difference between the annual plans as revised and as actually fulfilled in the first 3 years of the current (1986-90) 5-Year Plan was estimated at Kcs35 billion. The 2.2-percent growth rate planned for 1989 will likewise not hold up. Overall, the planned growth in each of the 5 years of the plan taken together is a good one-third lower than in the original 5-year plan.

Yet the real problem is not the lower level of fulfilling the plan, rather it is the factors which result in planning not being realized. On the one hand there are the inventories of finished goods which, in spite of all appeals, continue to climb inexorably while on the other hand supply bottlenecks develop. The inventories are included as part of fulfilling the plan, but in large measure they cannot be sold. The second-highest party official complained that the expenditures which are tied up in the inventories are lost to the economy. This unhappy development is the result of a faulty plan which failed to link the structure of demand with the planned structure of sales. He said that manufacturing without considering the consumer is to be avoided in the future by restructuring the management system with more entrepreneurial freedom in decisions.

However, "insufficient" productivity in almost all production sectors is the larger problem. Even the meager production surplus is not the result of an increase in efficiency, rather it is the result of "extensive" factors, that is, through additional consumption of raw materials, material and in part even labor. This results in falling far short of the goals to lower costs and simultaneous increase value added. The consequences are fiscal tight spots in the national budget and in the enterprises which have an immediate negative impact on investments.

The core of the problem is the low efficiency in the production plants which in turn is a consequence of obsolescence. According to an analysis in POLITICKA EKONOMIE, journal of the Academy of Sciences, mechanical production equipment in the consumer goods industry had been depreciated 63 percent in 1985. In 1980 it was just 59 percent and in 1975 "only" 52 percent. For the industry as a whole the corresponding percentages were 57, 53, and 50 so that in 1985 on average the sectors of the capital goods industry were 55-percent amortized, with 60 percent in the machine construction area following 55 percent in 1975. The author also figures out the replacement cycle of the machines: In the industry as a whole, in 1985 they had been in operation for exactly 25 years, in the consumer goods industry 20 years. Only in machine construction and the electrical industry is the machine inventory replaced on average only after 26 years! In another article the author confirms that "by exceeding a 50-percent depreciation limit the affected production unit cannot even guarantee simple reproduction of its plants from its depreciation."

Many economists warn that the situation in respect to investments, primarily in the operational sector, can get worse after beginning to restructure production prices effective January 1, 1989. The new "price type," which establishes profit as a fixed percentage relative to production capital, is particularly unfavorable for the consumer goods industry which has a modest capital appropriation. It reduces the enterprise's profit and with it the means for investments. Not only for this reason, but for other reasons as well some observers are convinced that the the price reform runs counter to the goal of greater independence of the enterprises.

After 1985 the investment situation worsened even more, obsolescence continued. The original state investment plan for 1986 with a volume of Kcs900 billion was reduced by Kcs45 billion when the planned growth in national income failed to materialize. Now a government commission is reviewing the revised investment plan in order to make further reductions. Even investments which are in the process of being realized are being cancelled. All actions which the commission rates as not being optimal are rejected or cancelled. Reasons for this are, for example, obsolete technology, low production-technical parameters, inadequate funding or problems with introducing the new production, whether it is due to a deficiency in sales, raw materials or labor.

Thus, it was possible recently to read in the the party organ RUD PRAVO that a large plant—which was largely completed—will no longer be finished now. Sales opportunities are lacking because the buyer of the products (probably from CEMA) made a different decision. Reason: After 4 years of planning and design and 7 years construction time the enterprise could still not be delivered.

The scope of the investments which this review is examining is still not known. Insiders in Prague figure on double-digit billions. One part of it is blamed on the "redimensioning" of the nuclear power plant business within CEMA. In addition to the Soviet Union, Czechoslovakia is an important supplier of nuclear power technology for CEMA. There is the possibility that the funds freed up will, at least in part, be redistributed for other investments which have a chance of succeeding. The infrastructure and the food and consumer goods industries have high requirements.

Of course, experts believe that machine construction is the root of the problem. Its production is in most cases in arrears so that it is unable to meet the demands for modern technology. Thus, the first thing to be done is to import plants for machine construction in order to be in a position to produce usable machines for other industries. In private discussions in Prague there is confirmation of the fact that it will be necessary to borrow money from the West on a large scale. In theory this is, of course, clear, but politically it encounters resistance.

Vertelar confirmed this indirectly by saying that we must act with restraint because in 1986 and 1987 Czechoslovakia's indebtedness to Western lenders was Kcs13 billion higher than planned.

GERMAN DEMOCRATIC REPUBLIC

Long-Term Trend in Consumer-Goods Production Analyzed

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[Article by Edith Biebler, Dr of Economics, born 1937, science adviser with the Central Institute for Economics, GDR Academy of Sciences: "The Structure of Consumption According to Complexes of Need and the Development of the Necessary National Economic Expenditure"]

[Text] Consumption is the decisive economic sphere for satisfying the material and spiritual-cultural needs of the population. Their growth possibilities are closely tied to those of the national income and to securing the production and resources side of consumption through need-specific supply of consumer goods and production means for the manufacture of consumer goods. The importance and attention given to the production of consumer goods according to need, product mix and quality, in implementation of the unity of economic and social policy, results in particular from—the role of consumer goods production "as a fundamental societal requirement for carrying out the main task" and from its contribution to realize the goals set by it, "in accordance with the economic performance goals to ever better cultivate the conditions for overall personality growth in the developed socialist society by strengthening and further developing socialist production relations"[1]—the reproductive function of consumer goods for the labor force and its performance stimulus and effect of increasing the productive force by satisfying needs. Scientific-technical progress results in changes in the development and satisfaction of needs, and thus also changes in demands made on the quantity and above all quality of consumer goods and services required to satisfy needs—the growing demands on the reproduction of the labor force due to scientific-technical progress, and the importance of nonmaterial services of the social-cultural sectors—which is growing particularly with the shaping of socialist personalities and their way of life—for satisfying the needs of the population, above all of a meaningful use and interesting organization of leisure time in satisfying needs such as education, culture, communications, sports, preservation of health, and recreation[2]—the fact that consumer goods production touches all phases of the economic reproduction process, thus playing a big role in the successful transition to intensively expanded reproduction. Consumer goods constitute the greatest weight in ultimate economic use, and "as economic ultimate products they are directly and indirectly interlinked to a great extent with economic semifinished products and thereby with the structure of primary resources and the total labor force employed."[3]

These reciprocal relations between satisfying needs (consumption)-production-resources have long been studied at the Central Institute for Economic Sciences (ZIW) of the GDR Academy of Sciences, also with tables of economic input-output values.[4] However, these studies deal primarily with satisfying needs through consumer goods and material services. Research work[5] on including nonmaterial services in economic input-output tables so far has remained without practical relevance because of, among other things, the theoretically controversial assessment of nonmaterial services. For the successful implementation of scientific-technical progress, the close reciprocal relations between economic performance increase and the effectiveness of social-cultural areas are gaining in importance. One of the main directions for solving the tasks confronting the social-cultural sectors is an even more favorable shaping of the ratio of expenditure and result,[6] and for this reason, research work on applying economic input-output tables to the analysis of the material-technical base of nonmaterial services are of great topical importance.

Economic input-output tables like no other methodic tool offer the advantage of depicting and analyzing economic connections with regard to their proportionality and interrelationship. By depicting the interrelationships and expenditure commitments regarding production and resources as related to the economic ultimate product, possibilities for further intensification can be shown. The reciprocal connection, developed by Marx, of production, consumption, development and satisfaction of needs[7] demands that, ultimately, comprehensive intensification penetrate all reproduction phases,[8] in order to develop all economic productivity and effectiveness potentials, if at all possible. The advantage of expenditure studies with the help of input-output tables also consists in the fact that the studies do not only include the direct expenditure necessary for a consumption unit or for satisfying a need unit, respectively, but also indirect expenditure, i.e., the economic expenditure already contained in the objects and means of production.[9] If one considers that this total expenditure (full expenditure) of the gross product for consumption is approximately 4.5 times that of direct expenditure for consumption, then the necessity for this complex approach becomes evident with regard to the production and resources demands to be expected with increased consumption, but also with structural changes of consumption.

The following discourse concentrates on the study of satisfying needs through consumer goods and material services (consumption fund of the national income) as well as on the required economic expenditure of gross product, labor, fixed assets, and energy. The study of total energy expenditure was carried out separately—particularly from the aspect of the special role of energy

in the economic reproduction process, the changed conditions of its availability, and the effective use of all energy sources necessary for the continued dynamism of performance increase. In order to make possible a more differentiated study of the socioeconomic goals of developed socialist society from the analytical as well as prognostic aspect than is the case in the analysis of individual and societal consumption in its entirety, consumer goods and the material services of the ultimate use of consumption were subdivided into various need complexes according to the product groups contained in the economic input-output value tables.[10] In accordance with the nomenclature of consumption in the economic input-output tables, only consumer goods and material services are taken into consideration in the need complexes.[11] This has differing effects in our studies on the structure of the individual need complexes and their share in the ultimate use of consumption.

Thus need complexes such as housing, education-/training, culture/sports/recreation, general social needs appear too low in their scope, since to a large extent they are satisfied through nonproductive investments and nonmaterial services. Nonetheless, studies with the aid of the input-output table of the gross national product show important development tendencies for these need complexes, also, since consumption of consumer goods and material services, particularly energy consumption, reflects the growth of nonmaterial services. Computing the expenditure of production and resources has the result that the economic expenditure for the aforementioned need complexes also are shown too low. But development tendencies can be read here, also.

In this research it also proved problematical that the studies could only be based on input-output tables at current prices, whereby price changes could not be isolated from actual expenditure changes.

The computations on the basis of the economic input-output tables of values are of great significance despite the aforementioned problems, since national accounts, such as effectiveness studies, can only be done on the basis of prices. Analysis of the national end and gross products according to need complexes can create important preconditions "in order to establish the connection between need complexes and economic structures and thus to secure the complex planning of the standard of living."[12] That also refers to the information conveyed by our analyses of a period of 10 to 15 years with the aid of economic input-output tables. They concern in particular the study of macrostructures, such as—the extent of consumption means tied to the individual need complexes, the resultant ratios between the need complexes, and a change of these ratios, taking into account a possible growth of consumption and satisfying the need level already reached—the binding and development of national expenditure to the gross product, labor force, fixed assets, energy as well as other material resources for consumption overall and for need complexes—the problems of stability of macroeconomic structures such as the need complex structures of consumption, but also of highly aggregated national expenditure structures of consumption.

Because of their complex econo. : approach, these analyses with the help of economic input-output tables are important for prognostic studies as well as for more thorough, detailed studies for which they provide the economic framework, and therefore they have their own place and justification.

Corresponding to the aforementioned problems, above all the following questions, to be discussed in more detail, were at the center of the studies with the aid of the national economic input-output table over a period of 10 to 15 years:

1. How did the structure of consumption according to need complexes develop in the course of 10 to 15 years?

2. What forms do the full expenditure intensities of consumption take, particularly of the gross product, fixed assets, labor and energy?

3. What influence do structural changes of consumption have on the change of expenditure of gross product and resources?

The Structure of Consumption According to Need Complexes

The proposals for need complexes contained in the GDR economic literature since 1969[13] refer above all to the needs to be satisfied through consumption and differ only slightly from each other and from the need complexes used in the studies by the Central Institute for Economics. The use of the concept "need complex" for the respective concrete consumption complexes of material goods and services is justified in substance, since the respective general need (such as food, clothing, housing) expressed in the need complex is based on a fundamental reproduction requirement.[14] In addition, development tendencies of general needs, on the basis of the development and change of individual needs, can be better presented and analyzed and the complexity of needs more completely recorded with the help of need complexes.

Naturally, the aggregation of needs in need complexes show a number of inadequacies and overlappings due to the interlinkage and increasing complexity of needs. This became especially clear in the development of the structure matrix, since a consumer article or a service serves to satisfy different needs—the linking as well as mutual reciprocal effect of needs when satisfied became evident. The structure matrix contains a percentage allocation of the consumer goods and material services (according to the production and service nomenclature), provided by the economy for the ultimate use of consumption, to the

individual need complexes.[15] The analysis of the development of the consumption structure according to need complexes with the help of national input-output tables over a period of 10 to 15 years shows that the need structures at such a high aggregation level as that of need complexes—even with varying growth rates of the individual need complexes—are relatively stable and change only slowly.

As can be seen in Table 1, the percentage range of the individual need complexes did not change fundamentally during the period under review, 1968-82,[16] although the average annual growth of the individual need complexes during that period varied greatly, and one must also record considerable changes in the individual percentage rates; in the need complex "food," for instance, by approximately 8 percentage points.

Table 1. Development of the Shares of Need Complexes in the Ultimate Use of Consumption and Its Average Growth Rate

Serial Number	Need Complexes	Shares of Need Complexes in Ultimate Use of Consumption (Percent)				Average Annual Growth Rates (Percent)	
		1968	1972	1977	1982	1982: 1977	1982: 1968
1	Food	48.0	45.4	41.5	39.9	3.2	3.4
2	Clothing	11.3	11.7	10.9	10.7	3.5	4.4
3	Housing	18.0	18.4	19.8	19.8	4.1	5.5
4	Health Preservation/Hygiene	4.2	4.7	5.7	5.2	2.4	6.5
5	Education/Training	2.3	2.8	3.0	3.3	5.9	7.5
6	Culture/Sports/Recreation	2.6	2.9	3.3	3.4	4.6	6.6
7	Transport/Communication	9.4	9.6	10.8	12.5	7.1	6.7
8	General Social Needs	4.2	4.5	5.0	5.2	4.6	6.4
9	Total Consumption	100.0	100.0	100.0	100.0	4.0	4.8

Source: Own computations

Regardless of the movement in the individual structure shares during the period under review, in the last analysis the affiliation of the individual need complexes to certain group share sizes did not change, such as:

- 50 to 40 percent: Food
- 20 to 10 percent: Housing, clothing, transport/communication
- 6 to 2 percent: Health preservation/hygiene, education/training, culture/sports/recreation, general social needs.

So the "extraordinarily high share of foodstuffs in consumer goods production" results "...primarily from the daily reappearing per capita need for foodstuffs."[17] We also find a higher per capita dependence in clothing than is the case with other industrial goods. With regard to the relatively small share of the need complexes health preservation/hygiene, education/training, and culture/sports/recreation, we point once more to the importance of nonmaterial services as well as the nonproductive investments for satisfying social-cultural needs.

In the period under review, 1968-82, consumption showed an average annual growth rate of 4-5 percent, in which the average annual growth in individual need complexes and for the individual periods of time were divergent. The average annual growth in the need complexes of food and clothing was below the growth listed under consumption, while it was considerably higher in the other need complexes (about 6-8 percent). In accordance with the aforementioned differences in the growth rate of the individual need complexes, the shares of the need complexes in the ultimate use of consumption show:

—a declining trend in the need complexes of food and clothing. This development is corroborated by the assessment of sociologists that there is a relatively high provision level for food and clothing needs in all social groups.[18] From the aspect of an almost stable population figure and the high level of need satisfaction, seen internationally, the "demand for foodstuffs and luxury foods, clothing and textiles, household goods and other traditional consumer goods will grow to an ever lesser degree, and in part even decrease absolutely due to changing needs. Quantitative expansions are no longer important in these cases, but rather the qualitatively rising demands for healthy, varied food, fashion and individual diversity, further facilities for making housework easier, appropriate use, and more."[19] Therefore, in the need complexes of food and clothing one can above all expect qualitative changes;

—a stable trend in the housing need complex, in which a relatively high increase can be noted up to 1977. The causes may be found in the fact that, for one thing, the average annual increase in completed apartments during the period 1968-77 (about 9,640 apartments) was higher than during the period 1977-82 (4,862 apartments), while it again rose considerably during the period 1982-85 (about 8,390 apartments); and for another, the importance of modernization grew in the implementation of the housing construction program. Thus the share of modernized apartments rose from 18.6 percent in 1968 to 34.6 percent in 1982 and constituted 43.1 percent in 1985.[20] The differing average annual increase in completed apartments as well as the structural change in favor of modernization influence the extent of providing the apartments with new furniture, household appliances, etc., and are thus also reflected in the housing need complex. However, the supply situation of durable consumer goods with regard to assortment and quality may also play a significant role in the development of the extent of the housing need complex;

—a rising trend in the need complexes of education/training, transport/communications, culture/sports/recreation, and general needs. This is affected above all by the greater degree of leisure time and the growing need for recreation and relaxation which, among other things, is reflected in the rapid increase in tourism (for example, in 1970 there were 397,112 travelers who had foreign travels arranged by the travel bureau; in 1982 the number grew to 809,335, and in 1985, to 1,028,199),[21] the active use of leisure time in sports, gardening, social life, cultural events, but also in educational measures (for instance, the number of participants in training and extended education courses for the socialist economy grew from 1,089,388 in 1971 to 1,666,703 in 1982, and to 1,798,553 in 1986).[22]

The growing amount of leisure time and the increased need for a meaningful use of leisure time influences ever more strongly the structure of consumption according to need complexes, and above all the internal structure of the need complexes according to product groups and material services. In view of the growing linkage of needs in the process of having them satisfied, it is not surprising that need complexes such as education/training, transport/communications (increased mobility), culture/sports/recreation show a rising trend in their shares in the ultimate use of consumption. The purposeful implementation of the housing construction program plays a major role in this since, in addition to satisfying the need for housing, preconditions are being created for the complex satisfaction of needs which are primarily concerned with the physical existence of man, and of others which concern the social and spiritual reproduction of man (such as needs of a cultural, communications, and social nature).

The causes for the rather slow change in need structures (see Table 1) are mainly due to—the economic possibilities for consumption growth—the social structures, which are changing only slowly—the comprehensive effects of scientific-technical progress, reflected in the need structures only after a longish period of time—the quantitative and qualitative supply of consumer goods and services as well as the financial resources of the population—the different ratios in tying up consumption means resulting from the specifics of the individual need complexes.

Furthermore, there are reasons of methodology, for example the highly aggregated approach to needs in the form of need complexes, and the consumer goods and services aggregated in the product groups of the input-output table whereby, for instance, qualitative changes occurring within a need complex do not show up. These statements also point to certain limits of aggregated national input-output tables for the analysis and prognosis of the connection between the development of needs, scientific-technical progress, and production structure. Although—as already mentioned—overall economic connections and the development of economic structures can be demonstrated with the help of national input-output tables, they do not replace detailed studies with regard to the distribution aspect as well as the aspect of the effect of scientific-technical progress, but rather must be supplemented with them.

From the application of information and automation technology based on microelectronics result principally new possibilities for improving working conditions, enriching the work substance, and thus for greater development and use of the creative potentials of people, as well as changes in the type and intensity of work stress.[23] This leads, albeit not spontaneously, to changes in the need structures.[24] The importance of leisure time for recreation, for creative activity, which means overall for the development of socialist personalities, is growing, and new possibilities for meaningful use of leisure time must be created. On the other hand, "satisfying growing needs in the leisure time area...has a proven positive effect on work activity, releases impulses for economic development."[25] This leads above all to drastic qualitative changes within the need complexes and the economic expenditure necessary for securing it materially, but influences only slowly the highly aggregated structures of need complexes and national expenditure structures.

It is absolutely essential for the prognostication of future need structures and the total national expenditure of production and resources required to satisfy them to analyze the influence in particular of scientific-technical, economic and social factors on the change in need structures in their specific effects, and to study the possibilities of taking them into account in the structure matrix. In this connection, the following problems in particular must be solved:

1. Development and quantitative determination of the indices which are suitable for scientific-technical, economic, and social parameters of influence.

2. Quantification of the influence of these indices on the development of needs.

3. The complex, or respectively combined, evaluation of the effect of the parameters of influence in the structure matrix of consumption.

The three groups of influence factors mentioned (scientific-technical, economic, social) in their direction and strength of effect on the need structures are mutually interrelated, but not of equal rank. For example, the scientific-technical factors also influence the economic and social factors to a large extent and thereby affect the need structures not only directly, but also indirectly. This indirect influence is exerted primarily through the changed demands—due to the stepped-up development and application of key technologies—on work substances, qualification, working conditions, i.e., through the reproduction requirements of the labor force. Social influence factors such as qualification, shift work, size of family, etc., in addition to a direct influence (tradition, consumption habits, etc.) also have an indirect influence on need structures through net income (economic factor). The scientific-technical progress, on the basis of key technologies, increasingly effects a change of the production process as well as a change of need structures, primarily through new products destined for the further production process and above all for the consumption process. Taking this fact into account is all the more important since it is planned to annually renew 30-40 percent of the products of consumer goods manufacture by 1990.[26] This occurring influence of science and technology on need structures, also through durable consumer goods, is a starting point for including scientific-technical influence factors in the structure matrix of consumption according to need complexes of input-output tables. That, however, requires deeper analyses of the internal structure of need complexes according to product groups.

It can be assumed that scientific-technical progress in all need complexes makes possible a higher quality of need satisfaction. Yet extent and intensity of the influence of scientific-technical progress on the different need complexes varies greatly. On that basis, two groups could be formed, although group formation always brings about both a simplification and also a simultaneous sharpening of the problem:

1. Need complexes in which the speed of basic product renewal is relatively low and where no formation of new needs, and thus significant changes of the need structures, occurs. That includes above all the products of the food and clothing need complex. However, one must point out the growing importance of the connection between nutrition and preservation of health, so that "healthy nutrition...is an important goal function of the longer-term structural change of consumption";[27]

2. Need complexes where scientific-technical progress leads to a high degree of speed in product renewal, including the development and production of fundamentally new products, which contribute to a change of lifestyle and thus also of need structures. Here we must distinguish in particular: Products and services that help to gain leisure time—products making households more technical, modern heating systems—services—transport and communications services.

That influences above all the need complexes of housing and transport/communications.

Products and services contributing to the meaningful use of leisure time and further personality development—electronic equipment for entertainment and education—products for camping and tourism—products and services promoting and preserving health, by which are meant above all sporting goods etc., but not consumer goods for healthy nutrition.

These products influence primarily the need complexes of education/training, health preservation/hygiene, culture/sports/recreation, and transport/communications.

With regard to scientific-technical progress in the structure matrix of consumption, the products of the second group, i.e., the products for gaining and shaping leisure time, are of primary interest. Productive performances and services are gaining in importance in this context.

Production and Resource Commitments of Need Complexes of Consumption

The amount of expenditures, their development trends, and the effectiveness of the funds used are essential factors for the degree and development rate of satisfying needs and implementing social goals. For the 1972-82 period under review, changes can be noted in the national economic expenditure for satisfying a need unit, while changes for the individual need complexes vary. Their causes lie particularly in the more effective use of resources due to the comprehensive intensification of production, in further implementation of scientific-technical progress, and also in the increase in expenditure for the availability of energy and raw materials, and the price changes made in the production sphere. To secure a certain level of need satisfaction, in the course of time changed national economic production expenditures and resources become necessary. The expenditure studies carried out with the help of economic input-output tables of gross product, fixed assets, labor and energy for the aforementioned need complexes of consumption, despite varying growth rates of types of expenditure (see Table 3) showed little change in the sequence of the shares of individual need complexes in the total expenditure of consumption (see Table 2).

The relative stability of expenditure structures for the need complexes of consumption (Table 2) is due, among other things, to the fact that the shares of the full

expenditure of gross product, labor, fixed assets, energy of the need complexes of the full expenditure of consumption are essentially determined by two factors, among other things:

1. Through the shares of the need complexes in the ultimate use of consumption (see Table 1).

2. through the full cost intensities of gross product, labor, fixed assets, energy, etc.

By full cost intensities is meant the full cost of gross product, labor, fixed assets and energy in the producing sectors of the national economy, which is needed to materially secure 100 million Marks of ultimate use of consumption or need complexes, respectively. The effects of scientific-technical progress, but also those of price changes in the production sphere, influence the full cost intensities. The need complex of food has the highest full cost intensities of gross product, labor and fixed assets, while the full intensities of the other need complexes do not show such great divergences in size between themselves (Table 4).

Table 2. Share of the Full Cost of Gross Product, Labor, Fixed Assets, and Energy of the Individual Need Complexes in That of Consumption (Percent)

Serial Number	Need Complex	Share of Expenditure of				Share of Full Expenditure of		
		Gross Product				Labor	Fixed Assets	Energy
		1968	1972*	1977	1982	1982	1982	1982
1	Food	52.2	47.0	47.1	48.8	52.4	48.1	30.1
2	Clothing	10.4	10.9	8.9	8.5	9.3	7.6	5.0
3	Housing	16.6	18.3	18.0	17.7	16.2	18.4	27.2
4	Health Preservation/Hygiene	3.7	4.8	5.3	4.5	3.8	4.6	6.0
5	Education/Training	2.1	2.5	2.7	2.7	2.9	3.1	2.2
6	Culture/Sports/Recreation	2.4	2.7	3.0	2.9	2.8	2.6	1.9
7	Transport/Communications	8.6	9.1	10.2	10.1	8.2	10.2	20.9
8	General Social Needs	4.0	4.7	4.8	4.8	4.4	5.4	6.7
9	Total Consumption	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Total production
Source: Own computations

Table 3. Average Annual Growth Rates of the Full Cost of Gross Product, Labor, Fixed Assets, and Energy for the Individual Need Complexes of Consumption (Percent)

Serial Number	Need Complexes	Average Annual Growth Rates of the Full Cost of							
		Gross Product		Labor		Fixed Assets		Energy	
		1982: 1968	1982: 1977	1982: 1968	1982: 1977	1982: 1968	1982: 1977	1982: 1972	1982: 1977
1	Food	5.87	5.92	0.29	2.51	5.97	8.30	7.64	12.46
2	Clothing	4.94	4.30	-1.89	-1.26	4.07	5.96	6.03	8.51
3	Housing	6.86	4.77	-0.43	-8.65	5.56	4.30	8.59	9.53
4	Health Preservation/Hygiene	7.94	2.10	0.59	-2.90	5.92	1.31	10.29	8.91
5	Education/Training	8.46	5.79	1.69	-1.01	7.41	6.97	9.50	9.88
6	Culture/Sports/Recreation	7.72	4.49	0.70	-2.34	6.51	4.47	7.74	8.72
7	Transport/Communications	7.62	4.68	-0.91	-6.16	3.80	1.03	13.13	7.91
8	General Social Needs	7.72	5.20	0.73	-1.82	6.61	5.22	8.33	5.77
9	Total Consumption	6.39	5.20	-0.10	-0.13	5.56	5.82	8.99	8.43

Source: Own computations

Table 4. Ratio of Full Intensities of the Individual Need Complexes to the Full Intensity of the Need Complex of Food and Their Rank Order

Serial Number	Need Complex	Ratios of Full Intensities				Sequences			
		Gross Product	Labor	Fixed Assets	Energy	Gross Product	Labor	Fixed Assets	Energy
1	Food	1	1	1	1	1	1	1	5
2	Clothing	0.66	0.65	0.60	0.62	7.5	3	8	8
3	Housing	0.73	0.62	0.77	1.82	3	6	3.5	2
4	Health Preservation/Hygiene	0.71	0.56	0.73	1.52	4	7	5	4
5	Education/Training	0.67	0.67	0.77	0.86	6	2	3.5	6
6	Culture/Sports/Recreation	0.70	0.64	0.65	0.75	5	4.5	7	7
7	Transport/Communications	0.66	0.50	0.68	2.22	7.5	8	6	1
8	General Social Needs	0.75	0.64	0.86	1.71	2	4.5	2	3
9	Consumption	0.82	0.76	0.83	1.33				

Source: Own computations

The full intensities of gross product, fixed assets and labor for the other need complexes comprise approximately 66 to 75 percent gross product, 60 to 86 percent fixed assets, 50 to 67 percent labor of the respective full intensities for the need complex of food. The full cost of the need complexes is thus primarily determined by the volume of the need complexes, that is to say, their share in the ultimate use (factor 2). The aforementioned slow change in the consumption structure according to need complexes (Table 1) therefore also causes a relatively stable development of the cost structures at that aggregation level (Table 2).

The need complex of food demonstrates the great influence exerted by the volume of ultimate use, in terms of value, of the individual need complexes (shares of the need complexes in the ultimate use of consumption) on the full expenditure of gross product, labor, fixed assets, and energy. Although, for example, full cost intensity for energy in the need complex of food is only ranked Number 5, the need complex of food with regard to tying up energy remains in first place because of its high share in ultimate use (see Tables 4, 2, 1). The need complex of food has the highest commitment of the full expenditure of gross product, labor, fixed assets, and also energy, due to the largest volume of the ultimate use of consumption, and also the high cost intensities.[28]

If one studies the development of full expenditure intensities on the basis of its average annual growth over a period of 10-15 years, one can draw the following conclusions:

1. In the development of full labor and fixed assets intensity, one notices increased effectiveness in the use of the labor force potential. During the period reviewed, full labor intensities dropped for all need complexes—albeit to different degrees—while full fixed asset intensities rose, meaning a substitution of materialized labor for manned labor, which is also underpinned by the development of the labor force's endowment with fixed assets for the individual need complexes.[29] The average annual growth rates of endowment with fixed assets between 1977 and 1982, with the exception of the need complexes of food and health preservation/hygiene, are far above those of the period 1968-77. The development of the full cost intensities of the gross product can be seen as an expression of increased intensification, whereas a varying development must be noted for the individual need complexes. During the period 1972-82, we find a recessive trend of full gross product intensities in the need complexes of health preservation/hygiene, education/training, culture/sports/recreation, and transport-/communications; the need complexes of clothing, housing, and general social needs show a more or less stable tendency, while full gross product intensity for the need complex of food rose steadily between 1968 and 1982. The causes, among other things, can be found in the change of the internal structure of full expenditure of the individual need complexes according to product groups, which will require further fundamental studies. Between 1968 and 1982, the structure of full expenditure of gross product according to product groups/branches of industry for the need complex of food changed above all in favor of the products of the chemical industry (includes petroleum), machine and vehicle manufacture, and the electrical/electronic industry, whose shares roughly doubled in each case.

2. During the period 1972-82, consumption became more energy-intensive (in terms of value of energy consumption), and also the individual need complexes. The reasons for the increase in full energy intensities can be found, according to their specific features—in the growth of energy consumption, in terms of value, per consumption unit or need unit in the direct consumption sphere itself, i.e., in the use of consumer goods. Here, improved provision of households and social institutions with durable consumer goods such as passenger

cars, kitchen appliances, modern heating systems, medical, cultural and educational technical equipment, etc., come into play, as well as structural shifts between the individual types of energy, effecting different prices, rates, etc. Greater energy savings through the production and use of new, energy-saving consumer goods and their effects on energy intensities can be expected only after a certain tine because of the already existing, more or less high, inventory of durable consumer goods—in the growth of energy expenditure per consumption unit or need unit, respectively, in the production sphere, i.e., the direct and indirect energy expenditure for the production of consumer goods. Above all the price increases of petroleum and natural gas, which took place in the production sphere between 1977 and 1982, have their effect on the full energy intensities of consumption and the need complexes. A strong growth of full energy intensities must particularly be noted in the need complexes where the use of petroleum is relatively high, such as the need complexes of transport/communications, food, health preservation/hygiene.

The Influence of Structural Changes of Consumption on Changes of the Full Expenditure of Production and Resources

The reasons for the change of full expenditure of production, labor, fixed assets and energy for consumption can primarily be found in the following components:

1. In the change of ultimate use of consumption through volume increase, and through structural changes within consumption.

2. In changes of production technology and raw material use, which is mainly reflected in inter-sector linkages (Matrix A).

3. In price changes, particularly in the production sphere, such as petroleum and natural gas.

4. In changed, direct cost coefficients of labor and fixed assets, caused by the greater penetration of scientific-technical progress into the production sphere.

With the aid of the method of component breakdown[30] it was attempted to demonstrate the influence of the various causes mentioned. However, the effects of changed production technology and raw material use could not be separated from the effects of price changes, since both are reflected in the changed coefficients of the technological Matrix A. Studies of the changes of the full expenditure for consumption over a period of 5 years indicated that the increase in full expenditure of gross product and fixed assets by about 70 to 80 percent, and of energy by about 60 percent, were caused by a volume increase and the structural change of consumption (component 1). Only the surplus demand of labor necessary because of increased consumption and structural change (component 1), was saved through increased work productivity, which was reflected in the changed, direct labor coefficient (component 4). For full energy expenditure, the differing influence of increased consumption on the one hand, and structural changes of consumption on the other hand, were studied; i.e., the influence of component 1 was analyzed in even greater depth according to changes of the full energy expenditure, namely—through pure consumption increase (component 1.1.)—through structural changes of consumption (component 1.2.). This was based on the structural change according to product groups, which in a certain sense also means a structural change of consumption according to need complexes.

The total change of full energy consumption was thus caused by—approximately 52 percent through pure consumption increase (component 1.1.)—approximately 34 percent through technological and price changes (components 2 and 3)—approximately 14 percent through structural changes within consumption (component 1.2.), that is, through a shift to more energy-intensive products (from the aspect of full expenditure).

Where noticeable price changes can be proved, as in the case of energy, the influence from technological and price changes (components 2 and 3) is relatively high, while it played only a minor part in the analysis of the gross product and fixed assets. The results indicate that structural changes within consumption, particularly in long-term considerations, have noticeable effects on the development of production and resources expenditure.

In my opinion, even noting the inadequacies and sometimes justified reservations vis-a-vis the findings obtained with the help of national economic input-output tables, the principal features of economic correlations are made visible, as is hardly possible with the help of other tools. The results of studies carried out with the help of national economic input-output tables show that economic structures at a relatively high aggregation level—such as that of need complexes and aggregated product groups (industrial sectors)—have high stability and change only slowly. Simultaneously, the size of the commitment of consumer goods as well as of production means and resources was defined, which permits estimates for prognostic developments in the further shaping of the socialist way of life and the resultant demands on the national economy. Under this aspect, however, it would be of great importance to establish basic needs within the individual need complexes, and the production and resource expenditure necessary to secure them materially. Basic needs must be understood as those needs which "correspond to our historically concrete social conditions, but also demonstrate a close connection to physical reproductions in particular." Basic needs comprise those essential needs "which are directed at an average medium (normal) level of need satisfaction and provision in all need complexes." They must be satisfied, lest the process of higher development of needs be disturbed, since "no development in the opposite direction is taking place, so that needs would stabilize at a lower level."[31]

The process of transition to comprehensive intensification in all reproduction phases means for the consumption process the use of economic resources in such a way that higher effectiveness per consumption unit in satisfying needs is attained, and that the initiative, the willingness to perform, and the performance behavior of workers are raised. To what extent the process of comprehensive intensification not only has a lowering effect on expenditure intensities, but also considerably changes the highly aggregated economic expenditure structures of consumption described here, can only be assessed after further research work—with the availability of up-to-date economic input-output tables—for which the results presented here are also important foundations.

Footnotes

1. "Direktive des XI. Parteitages der SED zum Fuenfjahrplan fuer die Entwicklung der Volkswirtschaft der DDR in den Jahren 1986 bis 1990" [Directive of the 11th SED Party Congress on the 5-Year Plan for the Development of the GDR's National Economy in the Years 1986 to 1990], Dietz Publishing Company, East Berlin 1986, p. 18.

2. See authors' collective, "Lebensniveau im Sozialismus" [Standard of Living in Socialism], Die Wirtschaft Publishing Company, East Berlin 1983, p 107 ff.

3. W. Heinrich/G. Knobloch, "Konsumtionsmittelproduktion und Uebergang zur intensiv erweiterten Reproduktion—theoretische Probleme" [Consumer Goods Production and Transition to Intensively Expanded Reproduction—Theoretical Problems], WIRTSCHAFTSWISSENSCHAFT, No 7/1983, p 962.

4. See G. Kalok, "Der Bedarf an Grundfonds und Arbeitskraeften nach Beduerfniskomplexen—Fortsetzung der Analyse des Endprodukts 1968" [The Need for Fixed Assets and Labor According to Need Complexes—Continuation of the Analysis of the End Product 1968], study, Central Institute for Economics of the Academy of Sciences [ZIW of AdW], Berlin 1973; G. Knobloch, "Beduerfnisbefriedigung, Produktionsstruktur, Grundproportionen" [Satisfying Needs, Production Structure, Basic Proportions], ZIW research report, No 10, Akademie-Verlag, East Berlin 1974; authors' collective, "Gesetzmaessigkeiten der intensiv erweiterten Reproduktion bei der weiteren Gestaltung der entwickelten sozialistischen Gesellschaft" [Determinants of the Intensively Expanded Reproduction in the Further Shaping of Developed Socialist Society], Akademie-Verlag, East Berlin 1976, Vol I, p 439 f.; U. Ludwig/E. Biebler/M. Kraft, "Analyse der Entwicklung produktiver und konsumtiver Beduerfnisse nach Komplexen und ihrer Auswirkung auf Strukturen der Volkswirtschaft" [Analysis of the Development of Production and Consumption Needs According to Complexes and Their Effect on Structures of the National Economy], study, ZIW of AdW, East Berlin 1983.

5. See H. Bluemel/E. Kigyossy-Schmidt/H. Schilar/K. Schwarz/D. Walter, "Zur Darstellung oekonomischer Zusammenhaenge zwischen den materiellen und einigen nichtmateriellen Bereichen der DDR mit Hilfe der volkswirtschaftlichen Verflechtungsbilanz" [On Representing Economic Correlations between Material and Some Nonmaterial Areas of the GDR with the Help of Economic Input-Output Tables], WIRTSCHAFTSWISSENSCHAFT, No 11/1975, p 1675 ff; E.Kigyossy-Schmidt/R. Schwarz, "Nichtmaterielle Leistungen" [Nonmaterial Services], ZIW research reports, No 40, Akademie-Verlag, East Berlin 1983; U. Ludwig/E. Hesse, "Zur oekonomischen Messung und Analyse von Beduerfnisstrukturen unter Einbeziehung nichtproduktiver Leistungen" [On the Economic Measuring and Analysis of Need Structures by Including Nonproductive Services], 3rd Berlin Need Colloquim, "Diskussionsbeitraege" [Contributions to Discussion], Institute for Sociology and Social Policy, printed as manuscript, March 1987; D. Walter, "Zur Analyse und Prognose der produktiven Investitionen im sozialistischen Reproduktionsprozess" [On the Analysis and Prognosis of Productive Investments in the Socialist Reproduction Process], Dissertation (B), June 1987.

6. See A. Martin/R. Walther, "Aktuelle Fragen der Oekonomie des kulturellen Bereichs" [Topical Questions of the Economy of the Cultural Sector], WIRTSCHAFTSWISSENSCHAFT, No 8/1982, p 1175.

7. See K. Marx/F. Engels, "Werke" [Works], Dietz Publishing Company, East Berlin 1956 ff., Vol 42, p 26 ff.

8. See W. Heinrichs/G. Knobloch, "Konsumtionsmittelproduktion..." [Consumer Goods Production...], op. cit., p 964.

9. See G. Koehler/R. Luedigk, "Die Kategorie des direkten und des vollen Materialaufwands—Aussagemoeglichkeiten und Grenzen" [The Category of the Direct and the Full Material Expenditure—Information Possibilities and Limits], in authors' collective, "Volkswirtschaftliche Analyse zur Importverwendung auf Basis des vollen Aufwands" [Economic Analysis on the Use of Imports on the Basis of Full Expenditure], Economic Research Institute of the State Planning Commission, East Berlin, July 1982.

10. The studies are based on the following need complexes: food, clothing, housing, health preservation/hygiene, education/training, culture/sports/recreation, transport/communications, general social needs.

11. See W. Karbstein/U. Ludwig/K.-H. Siehndel, "On the Data Basis for the Compilation of Interindustry Balances of Gross Output. Some Experiences of the GDR," in "Problems of Input-Output Tables," Publications series of the Austrian Statistical Society, Vol 2, Orac-Verlag, Vienna 1986, p 471 ff.

12. Authors' collective, "Lebensniveau im Sozialismus" [Standard of Living in Socialism], op. cit., p 103.

13. See H.-D. Haustein, "Anwendung von Methoden der prognostischen Beduerfnisbefriedigung in der sozialistischen Industrie" [Applying Methods of Prognostic Need Satisfaction in Socialist Industry], WIRTSCHAFTSWISSENSCHAFT, No 12/1969; G. Manz, "Zu den Wechselbeziehungen zwischen Lebensniveau und individuellen Beduerfnissen" [On the Interrelations between Standard of Living and Individual Needs], WIRTSCHAFTSWISSENSCHAFT, No 11/1971, p 1649; G. Knobloch, "Beduerfnisbefriedigung, Produktionsstruktur, Grundproportionen," op. cit.; H.-D. Haustein/G. Manz, "Beduerfnisse, Bedarf, Planung" [Needs, Demands, Planning], Verlag Die Wirtschaft, East Berlin 1976; Authors' collective, "Grundfragen der sozialistischen Reproduktionstheorie" [Basic Questions of Socialist Reproduction Theory], Dietz Publishing Company, East Berlin 1982; Authors' collective, "Lebensniveau im Socialismus," op. cit.; G. Manz/R. Walther, "Notwendige Beduerfnisse und Lebensweise" [Essential Needs and Way of Life], WIRTSCHAFTSWISSENSCHAFT, No 7/1987.

14. See authors' collective, "Lebensniveau im Sozialismus," op. cit., p 100.

15. This was built on the works at ZIW of AdW by G. Kalok, G. Knobloch, H. Behr, H. Mai and W. Gellrich.

16. The period 1968-82 was chosen because economic input-output tables by the State Central Administration for Statistics were available.

17. W. Heinrich/G. Knobloch, "Konsumtionsmittelproduktion...," op. cit., p 973.

18. See authors' collective, "Soziologie des Sozialismus" [Sociology of Socialism], in "Soziologie und Sozialpolitik. Beitraege aus der Forschung" [Sociology and Social Policy. Contributions from Research], No 1/1987, Part III, p 315.

19. Authors' collective, "Umfassende Intensivierung und Reproduktionstheorie" [Comprehensive Intensification and Reproduction Theory], Dietz Publishing Company, East Berlin 1987, p 304.

20. Computed according to data of the "Statistischen Jahrbuchs 1986" [Statistical Yearbook 1986], p 50.

21. Ibid., p 329

22. Ibid., p 300.

23. See authors' collective, "Umfassende Intensivierung und Reproduktionstheorie," op. cit., p 92 ff., p 237 ff.

24. See A. Engels, G. Kalok, "Beduerfnisentwicklung - Triebkraft sozialer Aktivitaet" [Development of Need - Impulse of Social Activity], 3rd Berlin Need Colloquium, "Thesen - Bericht - Hauptvortrag" [Theses - Report - Main Speech], East Berlin, Jan 1987, printed as manuscript.

25. I. Falconere/G. Winkler, "Soziale Entwicklung und Sozialpolitik" [Social Development and Social Policy], WIRTSCHAFTSWISSENSCHAFT, No 9/1986, p 1324.

26. See "Bericht des Zentralkomitees der SED an den XI. Parteitag der SED" [Report of the SED Central Committee to the 11th SED Party Congress], Reporter: E. Honecker, Dietz Publishing Company, East Berlin 1986, p 33.

27. W. Heinrichs/G. Knobloch, "Konsumtionsmittelproduktion...," op. cit., p 967.

28. See authors' collective, "Umfassende Intensivierung...", op. cit., p 301.

29. See authors' collective, "Die materiell-technische Basis der Konsumtion" [The Material-Technical Basis of Consumption], Wissenschaftliche Beitraege der Martin-Luther-Universitaet Halle-Wittenberg [Scientific Contributions of the Martin Luther University Halle-Wittenberg], No 15/1985, Beitraege zur sozialistischen Konsumtionsforschung [Contributions to Socialist Consumption Research], Vol 10, Halle/Saale 1985, p 55.

30. See E. Helmstaedter/B. Mayer/E. Lemi/J. Richtering, "Die Input-Output-Analyse als Instrument der Strukturforschung" [Input-Output Analysis as a Tool of Structure Research], J.C.B Mohr/Paul Siebeck, Tuebingen 1983, p 89 ff.

31. G. Manz/R. Walther, "Notwendige Beduerfnisse und Lebensweise," op. cit., p 995.

POLAND

Slask Heavy Machinery, Other Exports to USSR Increase

26000171a Warsaw TRYBUNA LUDU in Polish 13 Oct 88 p 4

[Article by Stanislaw Zielinski: "USSR—Silesia's Number-One Trade Partner: Untapped Reserves in Trade and Cooperation"]

[Text] Katowice—Zabrze's Temed and Mera-Elzab plants, Meraster in Katowice, Rafako in Raciborz, Zgoda in Swietochlowice, and Bumar-Labedy in Gliwice are only a few of the Silesian enterprises with trademarks familiar to customers in the Soviet Union.

Last year Silesian companies sold the USSR 1.035 billion rubles' worth of goods and services, which means that nearly a fifth of the voivodship's export offerings are

directed to the Soviet Union. In recent years interest in this market has shown a renewed increase, particularly since under "perestroika" these contacts can be based on more rational conditions.

Of course, friendly ties pave the way, facilitate access to reliable commercial, scientific, and technical information, and make the offers more concrete and better adapted to the partner's urgent needs. The fact that we have not developed a universal currency honored throughout CEMA makes things difficult, because we are forced to use a system of conversion tables which is after all a creature of convention.

What makes today's export offerings from Silesia to the USSR different is the substantial rise in the proportion of highly processed goods, especially machinery and equipment. Fuels and raw materials actually do continue to play a significant role, but their share is no longer showing an upward trend.

A year ago, the Centrozap center in Katowice signed a big contract with Soviet Tiazpromexport in Moscow for a delivery of technological equipment, machinery, and steel design and documentation for a 2000 sheet hot rolling mill in Magnitogorsk. The list of Silesian exports to the USSR also includes machine tools, equipment for chemical plants, machinery for the nuclear power industry, electronic equipment, and consumer goods, especially clothing.

The structure of Soviet imports has also changed. Alongside ores, iron alloys, crude oil, natural gas, and cotton, now there are also Soviet refrigerators, automatic washers, color television sets, photographic equipment, and other items sought after on our market.

But not everything is going as well as we would like. During a two-day session (11-12 October) organized by the Polish-Soviet Friendship Society's voivodship branch in Katowice and the SDPRL "Friendship" journalists club, Polish and Soviet journalists accredited in Warsaw had the opportunity to see ten plants that export to the USSR and to meet with a group of specialists from foreign trade centers. Many conclusions were drawn.

The first is that the direct cooperation between interested firms in Poland and the USSR which is so desirable in order for cooperation and specialization to develop is unfolding the most slowly. Only a few of the 22 Silesian plants earmarked for this sort of cooperation have managed to get beyond the stage of writing letters and exchanging visits.

The key to accelerating the process lies in simplifying legal regulations and reducing the multiple tiers in the hierarchy of decisionmaking. Another matter is the unification of standards which apply to producers in the two countries.

Commentary Favors Acceleration of Economic Cooperation With Soviets

26000171b Warsaw RYNKI ZAGRANICZNE in Polish No 127, 21 Oct 88 p 1

[Article: "Poland-USSR—Accelerate Rebuilding of Cooperation Model"]

[Text] The visit by the head of the Polish Government to Moscow comes at a time of unprecedented resurgence in the Soviet Union's international contacts. Within just a very few days of each other, Chancellor Franz Vranitzky of Austria, Premier Ciriaco da Mita of Italy, and Brazilian President Jose Sarney of Brazil all visited Moscow, and on Monday the heads of the governments of the USSR and the FRG begin talks. This plethora of top-level meetings testifies to the increasing rank of the Soviet Union as an economic partner and to the approval which has greeted the USSR's recently-adopted policy of broad foreign cooperation.

Closer cooperation with Western countries along with substantial credit to bolster it does not alter the priority which the Soviet Union reserves for socialist countries, especially those of CEMA, in its economic relations. These relations should take on a new quality now. The transition from a simple exchange of goods to comprehensive commercial and economic cooperation should accelerate the new mechanism of cooperation geared to create a homogeneous CEMA market. Development of all sorts of new forms of cooperation, direct contacts maintained between companies and organizations in the two countries, and the creation of joint enterprises and international associations and organizations should be directed to this end.

Partner countries, especially Poland, are expressing approval of this program of cooperation, which the CC CPSU Politburo recently approved, because trade and cooperation with the Soviet Union are of considerable importance to our economic development. Recent years, in particular, have demonstrated the benefits of an intensive division of labor, on the one hand, and the need for accelerated modular changes in such cooperation, on the other. The slower rate of turnovers observed during the past few years shows that the extensive untapped trade reserves of the past are now exhausted and that new forms of cooperation in production and in science and technology need to be introduced more quickly. The significant number of Soviet enterprises and organizations announcing direct coproduction and industrial cooperation are testimony to growing understanding on the part of scientists and producers of how useful it is to engage in direct cooperation, but it is essential to create the proper legal and economic framework for such cooperation. Mieczyslaw F. Rakowski's current visit should spur progress in creating the mechanisms of economic, scientific, and technical cooperation between Poland and the USSR.

Foreign Trade Official Seeks More Small Business Contacts With U.S.

26000l/lc Warsaw RYNKI ZAGRANICZNE in Polish No 127, 21 Oct 88 p 1

[Interview with Tadeusz Zylkowski, president, Polish Chamber of Foreign Trade, by M. Tekielski: "We Want To Build Up Our Position in the U.S."]

[Text]

[RYNKI ZAGRANICZNE] President Zylkowski, how would you assess the attitude that American business circles have to the development of economic cooperation with Poland in the light of the deliberations of the Polish-American Economic Council [PARG]?

[Zylkowski] I became convinced both during the PARG session itself and in later talks in Chicago and New York that the long-awaited breakthrough in Polish-American relations is taking place. This manifests itself in the greater interest economic circles are showing in the possibilities for engaging in direct cooperation with Polish companies. This trend was noticeable both in statements made by American businessmen attending the PARG deliberations and during talks conducted, for example, at the U.S. Chamber of Commerce, at the American Small Business Administration, and at the American National Manufactures Association. This demonstrates genuine interest in cooperation with Poland, because these institutions express the opinions of their communities.

Our large, select group of representatives from both the foreign trade enterprises and industrial plants was well accepted testimony to our great interests in contacts with American business, whose representatives thought that our relations with countries in Western Europe took a higher priority than those with the United States. We convinced them that we want to build up our position on this market and improve the assortment of items we offer, but only direct cooperation with our American partners can make this possible.

[RYNKI ZAGRANICZNE] At the session you put forth a proposal for the next meeting in Warsaw to take an unconventional course and to expand the scope of cooperation. Please give a some details.

[Zylkowski] It is important to us for our guests at next year's PARG session in Warsaw to be able to see with their own eyes everything we told them about in Washington—this often was something tremendously new to them—about the changes in the structure of our economy, in the approach to developing foreign trade contacts, equal rights for the three sectors, many instances of initiative for "small business" or small manufacturing, and so on. The American businessmen would like to see it all with their own eyes.

Then they could become convinced that the trump card in our economic offer, as I often emphasized, is the high level of our personnel. On the other hand, wonderful professional knowledge does not always go hand in hand with the administrative and marketing requirements of foreign markets. It is a question of training in those areas, and this means not so much in new scientific disciplines as in the practical application of the principles in managerial positions as well as at the level of practical execution. We want to take advantage of the American offer of the possibility of training in the U.S. as well as of benefitting from the services of American specialists in raising the level of skills among our personnel. We would do this at seminars we would set up in Poland. The needs in this area are tremendous, though.

[RYNKI ZAGRANICZNE] In the 1970's, we had an office of the Polish Chamber of Foreign Trade, the PIHZ, operating on the West Coast in the United States. What do you think the chances are of reactivating its operations?

[Zylkowski] At the PARG session I officially declared my intention of reactivating the office there. This also wound up in the final communique of the session. We will leave the American side to decide the matter of the time and place we would open the office.

The development of Polish economic relations with the United States will increase the demand for good commercial promotion, including the promotion of our economic legislation, and this is well understood in American business circles, so I think that this branch will be reactivated soon.

[RYNKI ZAGRANICZNE] Thank you for the interview.

BULGARIA

Criminologist Analyzes Trends, Statistics

22000027 Sofia POLITICHESKA PROSVETA in Bulgarian Oct 88 pp 33, 36-44

[Article by Baycho Vladimirov Panev, candidate of juridical sciences, deputy chairman of the Bulgarian Association for Criminal Studies, prosecutor, Chief Prosecutor's Office: "Crime in the National Economy—Reasons and Measures for Restricting It"]

[Excerpt]

III

[Passage omitted] The influence of one specific crime-originating factor or another is manifested in different manners in the various types of economic crime. On the basis of the concept we indicated on the determining role of social contradictions, let us add that the predominant part of crimes committed in the national economy, particularly criminal encroachments, are greatly influenced by historically specific forms of manifestation of the contradiction among national, group and personal interests. Although under our present-day conditions this contradiction is not initially of a class-antagonistic nature, it becomes aggravated during certain periods under the influence of a number of internal and external factors, as a result of which the crime based on it increases in terms of volume and severity.

It is precisely this type of period of aggravation that we are experiencing currently: of increased appropriation and other actions committed within the national economy. What are their reasons?

Disproportions and stagnation phenomena were allowed to occur in the country's economic and social development. They were analyzed in detail at the 13th BCP Congress and the subsequent plenums, particularly the July 1987 BCP Central Committee Plenum, and by the National Party Conference (1988). These disproportions and stagnation phenomena contributed, along with other internal and external factors, to the creation of dangerous deformations in the mass consciousness and behavior, which were analyzed at the 18 September 1985 Politburo session. Without going back to the familiar party statements and conclusions, which largely explain the sources of criminal activities, let us develop them further and add to them specific results of criminological studies conducted in our country over the past 20 years.[1]

In the course of 17 such studies by okrug and sector and, for the country at large, for the period between 1968 and 1987, it was established that only between 3 and 7 percent of mercenary crimes were committed to satisfy pressing personal or family needs (14 percent in only one of the studies). These amounted mainly to petty thefts, fraud, job-related appropriations, etc. At the same time, however, it was a characteristic feature that a significant part of the appropriation actions (58-65 percent) were committed by individuals with a relatively low income, although such individuals could not be classified as extremely needy. This fact should no longer be ignored in making management decisions on controlling income and differences in the material condition of individual population strata.

Let us add in support of that conclusion yet another fact noted as a result of criminological studies: The motivation for appropriations as a result of misunderstood "prestige" considerations marked an alarming development in the 1970's and 1980's: matching, regardless of the means used, with no scruples or restraints, the standard of the most prosperous people in the society. For more than 60 percent of those who were sentenced for mercenary actions, the main source of criminal activity was the aspiration to acquire property (35-40 percent) or engage in wasteful consumption (20-25 percent) inconsistent with their income. A clearly manifested uncertainty in terms of the systematic observance of the socialist principles of distribution exists. Many people are convinced that other "more efficient" criteria are being applied in actual distribution processes, in addition to the quality and quantity of the labor contributed to society, and in addition to the objectively assessed need for social aid to the sick, the disabled, families with many children, and so on. These criteria are the following: earning a great deal of money as a result of which "anything can be bought;" choice of a profession which ensures outside (and, if possible, unaccountable and illegal) income; achieving high official or social status, which makes it possible to extract certain benefits; affiliation with a privileged stratum; and maintaining ties with influential individuals. Such was the value system of four-fifths of the perpetrators of more important crimes of economic appropriations studied.

The standard of the "successful individual" with ties and connections and enviable material well-being (personal interest!) is competing ever more seriously with the models which were established over the centuries in the people's awareness (coinciding with the public interest!) of industriousness, skill, decency, selflessness and dedication in the service of lofty ideals. This was manifested particularly through the use, over the past 5 to 6 years, of psychological methods in comprehensive criminological studies. It would be difficult to demand a proper behavior on the part of those who are not convinced of the value of frequently scorned ideological postulates of legality and equality and, even harder, on the part of the victims of grossly violated social justice. Today, in the development of private economic activities, one could expect an intensification of the clash between public and personal interests unless prompt measures are taken to prevent distortions in such activities.

Without approaching the extremely erroneous theoretical concept and practical appeals for "equalization," which lead to regressive economic development, we

must nonetheless take into consideration that the existence in our society of millionaires, on the one hand, and working people who can barely make ends meet, on the other, is in violation of socialist justice. It is abnormal to have tens of thousands of registered homeless people, including some with several children, as well as homeless young families, while others are spread out in two or three apartments with several rooms and palatial cottages (this largely explains the bribes, and document other crimes related to the procurement of housing, which have become more frequent of late). The insufficiently fast pace of the lowering of property inequality is one of the main reasons for crime in the country, according to 21.3 percent of Bulgarian citizens in a representative study made in Sofia and in the former Mikhaylovgrad Okrug in 1983-84. An investigation conducted by jurists showed the respective percentage to be 34.9.[2]

The high income of a miner, a talented scientist, writer, painter or actor, an economic manager with all his worries, or a high administrator, acquired as a result of stressed and skilled labor, does not shock the mass awareness. However, should professional status or social role convert into a source of undeserved benefits, critical public opinion reacts immediately. As several sociological studies indicated, more than one-half of our workers and employees find substantial loopholes in the measure of distribution and in labor norming and wages. Typical examples may be cited of various reactions by individuals and strata as a result of such dissatisfaction: On seven occasions a young metallurgical worker in Eliseyna unsuccessfully competed for the position of entertainment vocalist, for the sake of achieving a better paid employment; a talented student abandoned his studies so that, as a soccer player, he could earn a good salary and housing for his family; in 1987-88 dozens of physicians, engineers, teachers and jurists became taxicab drivers, on the basis of Council of Ministers Resolution No 35, in order to earn more money.... Nonetheless, these are legitimate (albeit occasionally regretful) means of correcting injustices. Quite frequently, however, as we pointed out, criminal ways are also used.

Management shortcomings (particularly in planning) and in the organization of economic activities (particularly in setting labor rates, computing wages, and accounting invested raw and other materials) significantly influence the growth of economic crime. They contribute to increasing the number and gravity of direct encroachments on public property as well as document fraud as per Article 212 of the Penal Code, crimes against the socialist economy, such as profiteering, commercial fraud in weighing and measuring goods, and in the quality and price of commodities, based on the contradiction between the national interest, on the one hand, and personal or group interest, on the other. Characteristic in this respect are cases of fraudulent report of labor and quarry materials by construction organizations in Varna and Sofia Oblasts, overpayments of 16,618 leva in the reconstruction of the greenhouse in Yagodovo Village, Plovdiv Oblast, in the autumn of 1986, criminal abuses totaling 170,000 leva, committed by 35 materially responsible individuals within the "secondary raw materials" system in Sofia, and others. A clear example of profiteering and foreign exchange crimes was the accessorial mercenary activities of A.A. and R.Kh. from Etropole and B.O. from Botevgrad, who earned more than 70,000 leva illegally in 1984-86. Currently criminal deals are being investigated, committed by a group of foreigners and many Bulgarian citizens, involving foreign exchange, gold and other precious metals, worth hundreds of thousands of leva.

Criminological studies have disclosed recurring shortcomings in the training, selection, upbringing and development of economic cadres, and the professional or moral-ethical unsuitability of some of them. Major group crimes of appropriation, involving the participation of economic managers and bookkeeping personnel, have become more frequent. For a number of years, as a result of such studies and on other occasions, specific recommendations have been issued on improving the skill and selection of cadres in the national economy, and to strengthen social control by labor collectives over their activities, with a view to blocking greed, subjectivism and abuse in managerial rights. Some of these problems can be solved with the currently introduced economic reform and the systematic assertion of self-management and of competitive and elective principles. However, further concern must be given to the professional and legal training and upbringing of economic workers. Many of the crimes are committed as a result of ignorance of the laws or a nihilistic attitude toward them.

Between 1980 and 1988 many chairmen of agroindustrial complexes in the country, enterprise directors, managers of rayon consumer cooperatives and even managers of creative and social associations were tempted, in concluding contracts, to engage in auxiliary activities and allowed illegal profits and misappropriation of public funds, issuing fraudulent official documents, precisely because of legal illiteracy. Naturally, some of them were motivated not only by pure intentions and not exclusively as a result of ignorance of the law as they engaged in criminal activities. Major criminal cases involving sowing materials (tried in the Burgas Okrug court), misappropriations in the purchasing of poultry (case still being tried by the Mikhaylovgrad Okrug court) and others, involving dozens of defendants, and appropriated funds ranging into the tens of thousands of leva, also prove the greed of economic managers who have accepted bribes or who have participated in such appropriations.

Inefficient internal current and bookkeeping control in enterprises, establishments and organizations is of exceptional help in the appearance of premeditation and commission of virtually all appropriation crimes. It has long stopped being a secret that inventory taking, investigations and audits by internal control authorities very

rarely establish actual shortages and encroachments. That is why in subsequent audits by outside state financial-auditing control authorities the outcome is substantial shortages due to the criminal activities of materially responsible individuals who, for years on end, were able to conceal their activities. Such is the nature of the criminal cases familiar to our public in the past few years. To this day this occurs in job-related appropriations and other abuses in gasoline stations, milk centers, Mototekhnika, "Secondary Raw Materials," and various commercial organizations.... Internal control is unsuitable for a number of objective and subjective reasons (which have been repeatedly analyzed and reported to the management authorities) in terms of providing criminological information to the law enforcement institutions so that the appropriators can be prosecuted. In 89 to 96 percent of the cases (according to various studies) information on criminal encroachments is sent to the prosecutor's office by various authorities of subsequent external control, the operative-investigative services of the MVR, or reported by citizens. The preventive influence of internal control is also weak.

Control shortcomings also favor irresponsibility and the commission of a number of official and document crimes.

The economic reform which has been under way for the past few years in the country is, in addition to other economic and general social advantages, of definite anticrime importance. By restricting the administrative-bureaucratic methods of management and using (to the extent possible under our circumstances) the effect of objective economic laws and intensifying the role of self-management and cost accounting, it provides conditions for eliminating manifestations of subjectivism and personal greed, the alienation of the working people from the products of their labor, and conflict of interests with all of its consequences.

At the same time, the very formulation of the concept of the reform and its implementation provide loopholes which encourage criminal encroachments. The uncontrolled autonomy of production collectives intensifies, as was already pointed out, the conflict between national and group interests. There have been more frequent cases of document fraud, in which entire brigades have benefited by padding the figures on their labor and materials. The result is that all members become involved in criminal activities. Their group interest clashes with the public interest. The so-called rotating shifts, according to which five or six people in a labor collective engage in private activities while, at the same time, receiving enterprise wages, have become an ordinary phenomenon, particularly in construction and services. This leads to the commission of crimes as per Article 212 of the Penal Code and the diversion of raw materials, materials and instruments from the public sector.

The dozens of criminal cases involving hundreds of individuals sentenced for job-related appropriations, bribes and other malfeasances in connection with auxiliary activities by APK, RPK and auxiliary farms in enterprises are widely known to our public. Of late, crimes were exposed also in relation to price setting under the new economic mechanism, associations of economic organizations and invention and rationalization activities.

It is obvious that along with the development and experimentation of new management decisions in the economy, not only the desired results should be anticipated but also the so-called auxiliary adverse effects, so that barriers can be erected to block their manifestation.

The scarcity of goods and services which are in the greatest demand on the market is an objective prerequisite for most crimes as per Article 233 of the Penal Code (profiteering) or Article 250 of the Penal Code (prohibited foreign exchange deals). Such shortages also account for 38 percent of bribes. Adding to this difficulties in procuring housing, obtaining a desired job, enrolling in a preferred hospital or school, acquiring a job certification, and so on, we can see that more than 60 percent of such severe crimes are the result of the insufficient satisfaction of needs and unfair distribution of goods.

Bureaucratism, a callous and a formal attitude toward the job, and drunkenness and loose behavior should be added to the specific reasons for corruption and other mercenary crimes and manifestations of negligence in the economic area.

Suppression of criticism and absence of glasnost in labor collectives, districts and settlements also contribute to criminal actions in the national economy. If the collective self-management authorities were to function better, social control would have been much more effective and results would have been better. Stealing or misappropriations are not easy under the vigilant eye of the working people and under the fire of their criticism.

In periods of intensified activity in the exposure of such crimes on the television and the radio and in newspapers and periodicals, a certain decline in their number may be noted. Particularly efficient are publications which name the specific violators and their penalty. In investigations conducted among inmates sentenced to deprivation of freedom, they have frankly admitted that even the harsh penalty is not so terrible as their public exposure in the eyes of their relatives and friends. Extensive surveys of citizens in enterprises, cities and villages also confirm the great general preventive role of glasnost in the case of any type of economic crime and its perpetrators.

The most frequently encountered reason for crime in transportation and breakdowns and labor accidents and, largely, fires and other such crimes in the national economy caused by lack of caution is the professional deficiency of the perpetrators. This is the reason for

90-94 percent of all crimes in transportation and more than 85 percent of other crimes due to carelessness, related to employment and activities involving greater risk. Professional deficiency is a general concept which encompasses insufficient knowledge, skills and habits; poor labor discipline; lack or insufficient professional morality and feeling of responsibility; in some cases, dissatisfaction with the job; and physical data or psychophysiological characteristics inadequate in terms of the job performed.

As we may see, said criminogenic factor includes a number of specific reasons which occur on a daily basis. For example, excessive speed is the reason for 25 percent of vehicle accidents. However, it is precisely the reason of poor labor discipline, poor skills, irresponsibility, i.e., professional inadequacy. The same could be said of the alcohol factor, which accounts for 11-17 percent of transportation crimes and 10 percent of job accidents and production breakdowns. Such crimes are assisted also by the poor condition of the roads and the vehicles, lack of spare parts, substandard repairs, and others.

A number of objective circumstances contribute to crimes in the national economy due to a lack of caution: shortcomings in the organization of economic activities; weaknesses in technical, dispatcher, medical and other control; inept, partial or unclear regulations relative to safety measures; insufficient prevention; impunity of a large percentage of people who violate safety rules.[3]

Naturally, in this enumeration of reasons and conditions for crime in the national economy we must not belittle deformations in the legal and moral awareness of the perpetrators of individual crimes. Despite the effect of objective factors, not everyone appropriates public property; not everyone accepts bribes. These are the actions essentially of people with a low legal consciousness and a primitive morality. Their share among the felons is 82-88 percent (according to various studies). Consequently, the problem of developing moral virtues and upgrading the legal awareness of working people and the young is facing us in its entire magnitude. Education and self-education, and the aspiration to acquire knowledge and maintain proper behavior demand much more concern and material and spiritual incentives.

Insufficient use is being made of organizational-technical means for the prevention of crimes committed against public property, which is another feature which facilitates their perpetration. The stipulations of Council of Ministers Letter No 52 and subsequent regulations on protection, fencing, lighting, signaling systems, and so on, are being implemented unsatisfactorily. The same applies to the specific recommendations based on criminological research on control functions at each subsequent stage in the production, transportation and commercial cycle; extensive use of computers to meet the needs of acco ntability and control, and so on. Efforts to promote the more comprehensive application of these suggestions are continuing to this day. Nonetheless, the interest of economic managers concerning such problems remains low.

Criminological studies have established that the effect of other social and sociopsychological factors in encouraging mercenary crime are internal as well as external (related to our foreign economic activities, the influence of bourgeois propaganda and way of life, the tremendous influx of foreign tourists and transit travelers, and so on). Specific suggestions have been formulated applicable on all management levels and affecting control and law enforcement authorities and public organizations. It is neither possible nor necessary for all such factors and recommendations to be described in an article of limited size. They should be restudied most closely by those to whom they are specifically addressed and by the central administrative authorities.

Although the state control and law enforcement organs deserve great credit in the struggle against crime in the national economy, they allow a great deal of errors and shortcomings in their work, which lower the efficiency of their intervention. In recent years such omissions have been repeatedly targets of critical evaluations on the part of the party leadership. The self-critical attitude of the control and law enforcement organs themselves is proper. There have been numerous and specific admissions in that sense in criminological studies. Efforts are being made to implement recommendations on improving professionalism, principle-mindedness, speed and aggressiveness in the work of such authorities. However, they still owe a debt to society in terms of the prevention of economic crime, establishing the culpability of their perpetrators and the restoration of the caused damages.

IV

Counteracting crime in the socialist economy is a complex and comprehensive process. The results of its implementation call for encompassing both fundamental contradictions within society, which lead to such crime, as well as its specific reasons and circumstances. We need a consistent and comprehensive approach in which prime significance must be assigned to steps taken on the macromanagement level. Firm foundations for the elimination of economic crime could be laid with a well-balanced and aggressive policy for the elimination of said contradictions in the production area, in distribution in particular, the broadening of democracy and glasnost in all areas of social life, strict observance of moral principles which are fundamental to socialism, and strengthening of legal order, control and accountability.

In the area of ideology, we must uphold more convincingly the Marxist-Leninist party stipulations on the essential unity among national, collective-group and personal interests under socialism, and the unbreakable link between freedom and responsibility and between

rights and obligations. Naturally, the upholding of these concepts does not require verbal activeness only. This would be futile unless it is based on real positive changes in social life.

Considered from the practical viewpoint, the urgent steps which are currently needed for the successful counteraction in the area of economic crimes are in the following areas:

Faster conversion to self-management in public production, asserting all of its advantages form the viewpoint of the struggle against crime, consistent with inevitable or possible negative paralleling results and consequences. The legal rules governing self-management must be stabilized and, at the same time, disparities and conflicts between it and the other legislation must be eliminated. Scientific economic standards and regulatory factors must be created along with an efficient system for the evaluation and payment for labor. Following proper studies and limited social experimentation, a protection of national interests and the interests of consumers from distortions on the part of self-governing organizations and individual commodity producers, backed by adequate economic and legal means, must be established. In no case should we allow any retreat but, conversely, we must advance toward the assertion and further development of controlling rights of the primary and basic labor collectives in terms of economic managers on all levels, with ensured glasnost and real guarantees from persecution for criticism. Production discipline, enhancement of skills, and legal and active civic behavior must be encouraged more tangibly, which should include wages. Along with the increased strengthening of the role of material incentives in the self-governing organizations, which also applies to individual commodity producers, we must develop a system of real influence over spiritual incentives in order to limit the presently noticed moral deformations in the working people and to prevent material interests from becoming their only value. Additional steps must be taken to assert social justice and total elimination of abuses of power; conditions must be created for the functioning of self-government on the territorial and production levels;

In the formulation of technologies and the organization of the labor process, control functions must be ensured for each subsequent stage (or handling) in the production, transportation and commercial cycle. Extensive use must be made of computers and other types of equipment, not only for purposes of direct economic and technological use but also to serve the requirements of accountability, control and protection of socialist property. The certification of economic managers must be related to their attitude toward legality and the protection of socialist property.

Furthermore, in stimulating inventions and rationalizations and in the development of software, indicators of their reliability in terms of the protection of socialist property from damages, wasteful use or mercenary encroachments, must be included;

The currently taken steps for eliminating the scarcity of goods and services, housing and other vitally necessary goods must be made more decisive. In addition to expanding the production of such goods (mainly in the public sector and, additionally, in the case of some scarce goods and services, the private sector), decisive improvements must be made in their distribution system. The privileged status of individuals, groups or strata in the satisfaction of their needs must be totally eliminated (with the exception of the sick, the handicapped, and others, who need social aid). Members of the public (including rank-and-file production workers and citizens, and not only institutionalized and leading officials) must be more extensively included in controlling the distribution of scarce goods;

The total independence of the control apparatus from controlled targets, central services and authorities and parochial influences must be ensured in the activities of control and law enforcement authorities; we must decisively enhance the skill of cadres and strengthen the analytical nature of audits and investigations and prevention control; we must increase (in universities and in postgraduate studies) the economic training of jurists and their knowledge in the field of criminology; greater exigency must be displayed toward judges, prosecutors, investigators, lawyers, arbitrators and legal counsel in the prevention of economic crime and the prompt and qualitative exposure and investigation of individual criminal acts and ensure the just punishment of their perpetrators.

At the same time, the urgency of increasing concern for the professional and legal training of economic cadres and their selection and development, based on their actual political, practical and moral qualities, is becoming increasingly clear. We must also intensify the interaction between law enforcement and control authorities and update the documents regulating their joint work. Extensive glasnost of punishments must be ensured, particularly for severe crimes committed in the national economy, regardless of the official or social status of the culprits. An efficient mechanism must be created for implementing the recommendations based on criminological research, information based on Articles 184 and 309 of the NPK, and the stipulations of control authorities; the corresponding officials who fail to implement the regulations must be held liable.

The thus outlined set of economic, social, legal, educational, organizational, and cadre and technical steps, naturally, should be supplemented and developed. However, even in its present shape, based on the summed up conclusions of all criminological studies conducted so far, it could yield positive results providing that it is put to practical use.

The struggle against economic crime faces the party organizations in enterprises, establishments and agroindustrial complexes with difficult problems. Who if not

they could head more successfully and direct this struggle and formulate and suggest to the economic managements and labor collectives specific steps for the prevention of criminal actions?

Party meetings frequently deal with the implementation of production tasks, which is necessary. However, is the attitude of the working people toward projects of socialist ownership any less important, and do the criminal deviations of individual party members or members of the collective any less important?

In the final account, the success or failure in the restructuring of our country depends on the people, on their labor, their socialist consciousness, will and morality. The July concept, which was ratified at the 1988 National Party Conference, provides a new, a modern model of socialism which, however, cannot be automatically instilled in active life but which must be built up day after day and year after year by the working people. Furthermore, it must be improved through their efforts and experience.

Footnotes

1. This refers to studies conducted by the Council for Criminological Research of the Prosecutor General's Office of the Bulgarian People's Republic.

2. K. Lyutov, B. Panev, S. Naumova and others. "Obshtestvenoto Mnenie za Nakazatelniya Zakon" [Public Opinion on Penal Law]. Sofia, 1987, pp 215-219.

3. See "Osnovi na Kriminologiyata v NR Bulgariya" [Foundations of Criminology in the Bulgarian People's Republic]. Sofia, 1983, p 278.

GERMAN DEMOCRATIC REPUBLIC

Jewish Leader Interviewed by Regional Party Daily

23000046 Suhl FREIES WORT (Supplement) in German 4 Nov p 3

[Interview with Siegmund Rotstein, president of the Association of Jewish Communities in the GDR and chairman of the Jewish community in Karl-Marx-Stadt, conducted by Dieter Geipel, FREIE PRESSE, Karl-Marx-Stadt: "To Remember Means To Live"; date not specified]

[Text]

[FREIES WORT] Mr Rotstein, how far is it from Alexander Street, in what was then Chemnitz, to Reichenhainer Street in Karl-Marx-Stadt, where you are making your home today?

[Rotstein] Geographically, only a stone's throw away. From a political viewpoint, it is a road paved with troubles and sorrow, full of deprivation and struggle and, at the same time, a new beginning tantamount to a new life.

[FREIES WORT] You were born 30 November 1925 on Alexander Street. At that time, that was not a prosperous neighborhood—in spite of the lovely name Sonnenberg (Sunny Mountain)?

[Rotstein] And our family was no exception to this. My father, a Polish Jew, produced slippers made of fabric and did his utmost to ensure that every day our mother had enough to feed all five children. Those were tough times, but good times when I think of the years that were to follow.

[FREIES WORT] According to historical records, there were almost 3,000 Jewish citizens living in Chemnitz by the time the Nazi barbarism started. Chroniclers report of a flourishing and prosperous Jewish community.

[Rotstein] This corresponds to the facts. Of course, in addition to the wealthy Jews, there were many poor ones who always dreamed of being rich some day, as we know from a song by Tewje the milkman. However, this materialistic chasm has a Jewish peculiarity. Religion and faith give every Jew the obligation to be charitable, to lend support to those who need help. And so it came naturally that Jewish entrepreneurs and merchants would donate something of what others desperately needed. It certainly brought some relief. Even if, as was the case with one of my acquaintances, it was just a pair of shoes he received free of charge as a poor young cashier at the Tietz department store.

[FREIES WORT] When Hitler assumed power the virulent anti-Semitic campaigns and cruel excesses against Jews started. How did you personally experience this time?

[Rotstein] Initially, from a child's perspective. Fear, terror, and helplessness were spreading. Coercive measures extinguished all joy of living. In the summer of 1938—I attended the Lessing School—I was called one day to the principal, who told me: "Rotstein, you may go home! No need to come back!" This was the beginning of a strict racial segregation at the Chemnitz schools. We, the Jewish children, were put into separate classes in a Bruehl School annex. As if that weren't enough, one day when we were in the shop room with our teacher, Leo Elend, we were once again ordered to vacate the school. In the afternoon we had to load our belongings onto a handcart. Seven months passed without any school until students were assigned a space on public premises at Zoellnerplatz. Eight grades were taught there by one single teacher. During the summer, schooling took place at the Jewish cemetery, where the children opened their books under a makeshift roof.

[FREIES WORT] One coercive measure followed the other. At the end of October 1938, the Fascists deported all Jews of Polish nationality to Poland. In Chemnitz, there were 318 Jewish citizens. What happened to your father?

[Rotstein] After he had already been arrested twice and had been released both times we never saw him again after he was arrested a third time. Not until much later did we learn that he died a cruel death in the Warsaw ghetto.

[FREIES WORT] Only a few days before your 13th birthday there occurred one of the most infamous chapters of fascist terror: the pogrom during "Kristallnacht." In Germany, hundreds of synagogues went up in flames, thousands of Jewish business establishments were ravaged, countless Jewish citizens murdered. It triggered an outcry around the world....

[Rotstein] ...and many Jewish citizens were silenced, as was the manager of Tietz department store, Fuerstenheim, who was murdered that night in the basement of his apartment building. During these days, especially, of the year 1988 I look at those photos more often which were taken by a witness at the time: the burning synagogue on Stephansplatz in Chemnitz. I see people who watch unthinkingly, some of them with cheerful expressions even, but also a few with looks of bewilderment, condemned to stand by passively. Humiliation had no limits: The Jews of Chemnitz alone were forced to raise more than 35,000 Reichsmarks for the demolition of their ravaged synagogue.

[FREIES WORT] The only thing that remained standing—historic photos give evidence—is a little tree that survived the inferno?

[Rotstein] Yes, that little tree has now grown into a quite an imposing tree. For us it represents a natural symbol of never-ending life and constant remembrance. In its immediate vicinity and on the occasion of the 50th anniversary of the fascist pogrom night a memorial will be dedicated which was created by Volker Beier.

[FREIES WORT] Permit me to look back once more. The terrible pogrom of 9 November 1938 was the Nazis' bloody overture to the methodical extermination of 6 million Jews. How does the story of your survival continue?

[Rotstein] My odyssey brought me to Havelberg and Hamburg, Ahrensdorf, and Berlin; then had to go back to Chemnitz where the Gestapo sent me to forced labor. With the "Star of David" on my chest, my brother and I were then—like our sister—deported to the Theresienstadt concentration camp. We were among the 17,000 detainees of the camp who survived the holocaust.

[FREIES WORT] The time of terror had passed, a new life born for those who had survived. In 1948, what awaited you as a 19-year-old in your hometown?

[Rotstein] Ruins, misery, few Jewish citizens, a mountain of work, and a large chunk of hope. After the liberation we, the Jewish citizens, decided to establish, together with the other anti-Fascists and all men of good will, a democratic state. Our republic is such a state, an intensely humanistic state. Peace and social justice are the national doctrine. I am happy to have contributed my part to this.

[FREIES WORT] For decades, your name was connected with the Centrum department stores in Karl-Marx-Stadt. The Tietz and Schocken department stores once managed by Jewish citizens now, under socialist circumstance, had Jewish citizen Siegmund Rotstein in responsible positions and as acting branch manager. Do you perceive a certain congruence in this fact?

[Rotstein] Not an intended one, although pure chance would have it that it came about and thus rekindles childhood memories with recollections of my mother and father and other persons dear to me. I subscribe to the observation that says: Whoever forgets that which was bad, will become stupid. Whoever forgets that which was good, will become wicked. For me, personally, to remember means to live.

[FREIES WORT] As president of the Association of Jewish Communities in the GDR and as chairman of the Jewish Community in Karl-Marx-Stadt you are in demand worldwide. What are the questions put to you?

The GDR Is Homeland for Jewish Citizens

[Rotstein] They are many and frequently this one: How do Jews live in the GDR? And from the bottom of my heart and with good conscience I can say that the GDR is homeland for Jewish citizens. That we are afforded respect, social safety and security, that we take part in the creation of the socialist society with equal rights and that freedom of worship can be experienced daily. It is internationally recognized that Fascism, racism and anti-Semitism have been eradicated in our state. This fact is being stressed with gratification by leading representatives of Jewish international organizations—in committees of the Jewish World Congress, of the International Council of Christians and Jews, of the European Jewish Congress, and in other international associations.

[FREIES WORT] One of the major FRG daily newspapers asked you in an interview the other day whether it is possible to be both Jew and socialist at the same time?

[Rotstein] My answer was: Yes, it is possible. Socialism is humanistic, democratic and anti-Fascist. We identify with that. After all, communists and Jews have fought together with other anti-Fascists in the concentration camps.

[FREIES WORT] The German Communist have always fought against anti-Semitism. Only a few days after the 1938 pogrom the Central Committee of the KPD exposed the facts behind it, accused the imperialist profiteers. What thoughts run through your mind when you recall that time?

[Rotstein] It is a historical fact that the working class has always played a prominent part in combatting anti-Semitism in our century. It viewed this struggle as an integral part of its historic mission. The Central Committee of the KPD, in its declaration "Against the Disgrace of Jew Pogroms" published in a special edition of the "ROTE FAHNE" after pogrom night 1938, refuted the slogan disseminated by Nazi propaganda, namely that Jews were the national calamity of Germany. The Communist Party, itself so severely persecuted, appealed to all honorable Germans to aid their tormented Jewish fellow citizens and in solidarity sided with the victims of racial madness. We shall never forget this.

[FREIES WORT] A few days ago you were in Cologne for a symposium of believers from both German states. Make a comparison, please.

[Rotstein] What we have in common is the concern for stable peace. It was thought-provoking to me, for example, hearing statements from Jewish FRG citizens speaking about the fact that even 43 years after the fascist inferno relationships to Jewish fellow citizens still have not returned to normal. Jewish functions and representatives of the Jews continue to rely on police protection. Sad, but true. It is certainly good to know that the retribution of atrocities perpetrated on millions of Jewish Citizens was always of highest priority in the GDR. By December 1987, a total of 12,879 people had received final sentencing in the GDR for committed war crimes and crimes against humanity.

[FREIES WORT] How many Jewish communities are active in the GDR? How do they branch out?

[Rotstein] The association has a total of eight communities in Berlin, Dresden, Halle, Karl-Marx-Stadt, the Israeli religious community Leipzig, the synagogue community Magdeburg as well as the regional communities Thueringen and Mecklenburg headquartered in Erfurt and Schwerin, respectively. Our communities receive all social welfare services and generous government subsidies. At the same time we maintain our own libraries and publish a quarterly association newssheet which has many readers both in the GDR and in all parts of the world. The cultivation of Jewish heritage and traditions takes many forms. Contributions by the Leipzig Synagogue choir and the Days of Yiddish Culture observed since 1987 in Berlin are greatly recognized internationally.

[FREIES WORT] There are 125 Jewish cemeteries in the GDR all of which are classified as historical landmarks and in many places are taken care of by FDJ members. On the occasion of the 50th anniversary of pogrom night, tribute will be paid everywhere on Jewish cemeteries.

The Association of Jewish Communities in the GDR extends an invitation for 9 November 1988 in Berlin for a central memorial service to be held in the Deutsche Theater which is closely linked to the work of Max Reinhardt. Which guests are expected?

[Rotstein] We are expecting a great number of guests both from at home and abroad. Some foreign notables have already accepted, as for example: the director of the American Jewish Committee, Eugene DuBow; the president of the Council of Jewish Religious Communities in the CSSR, Bohumil Heller; the president of the Association of Jewish Communities in Greece, Joseph Lovinger; the president of the Association of Jewish Communities in Rumania, head regional Rabbi, Dr Moses Rosen; the Norwegian authoress Eva Sheer, and other noted personalities.

[FREIES WORT] The inscription on a stone in the Jewish cemetery on Schoenhauser Allee in Berlin reads: "When you turn do not be silent." How do we fulfill this admonition?

[Rotstein] I have to hesitate for a moment...I guess, it must be fulfilled anew every day; we have to enlighten, remind people, talk about what happened. We must not leave any gaps in their minds. This goes especially for our children and grandchildren, the very ones to whom we must impart more enlightenment, for they represent the future. Nobody can relieve us of this slice of responsibility. Whoever is remiss here, shall have regrets.

[FREIES WORT] In the midst of our land there rises, admonishing and accusing, the ruin of the New Synagogue on Berlin's Oranienburger Street. This house of God was "a pride of the Jewish Communities of Berlin, yet much more...an adornment of the city, one of the most remarkable creations of modern architecture and one of the most noble construction projects..." With these words you addressed the public at an international press conference. What were your intentions?

[Rotstein] For most Jews of my generation—most survivors are now scattered throughout the world—it was a place of prayer, of encounter and a spiritual home. We have set ourselves the task of rebuilding and improving this ruined synagogue as a centralized place of commemoration, of meeting, of prayer, of remembrance and admonition, as a research establishment with the aid of an endowment "New Synagogue Berlin—Centrum Judaicum." We not only want to preserve this Berlin structure, which is so significant to German history, but

also want to fill it with renewed life. For this reason we have appealed for the establishment of an international committee.

[FREIES WORT] For the sake of completeness: You are also a member of the presiding committee of the GDR Peace Council and a member of the presiding committee of the National Council. Should I even ask about your leisure time?

[Rotstein] Why not? Time is all the more precious when it is scarce. This is true for me. I enjoy it all the more when I find time for our garden. To sew, plant, watch nature thrive, harvest the fruits of one's own labor—that's what gives me pleasure.

[FREIES WORT] What makes you glad?

[Rotstein] To live at this time and place in the GDR and to experience how world peace is spreading evermore.

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